STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO: ML-47502	6. SURFACE: Indian
7. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Indian Tribe	
8. UNIT or CA AGREEMENT NAME: N/A	
9. WELL NAME and NUMBER: Ute Tribal 16-16-14-20	
10. FIELD AND POOL, OR WILDCAT: Wildcat	
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 16 14S 20E S	
12. COUNTY: Uintah	13. STATE: UTAH

1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐

B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER _____ SINGLE ZONE ☐ MULTIPLE ZONE ☑

2. NAME OF OPERATOR: Miller, Dyer & Co., LLC

3. ADDRESS OF OPERATOR: 475 17th St Suite 1200 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 292-0949

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 674 FSL 525 FEL 613796X 39.593990
AT PROPOSED PRODUCING ZONE: SAME 43833854 -109.675199

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: See Topo Map "A" (Attached)

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 525	16. NUMBER OF ACRES IN LEASE: 1280	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): 2880	19. PROPOSED DEPTH: 5,000	20. BOND DESCRIPTION: RLB0008085
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 7143 GR	22. APPROXIMATE DATE WORK WILL START: 10/1/2006	23. ESTIMATED DURATION: 3 Weeks

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12-1/4"	9-5/8"	J-55	36#	300	Standard Type 5	120 sacks	1.18	15.6
8-3/4"	5-1/2"	J-55	15.5#	5,000	Hi-Fill & Poz Prem	979 sacks	3.84 & 1.25	11 & 14.35

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☐ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
☑ COMPLETE DRILLING PLAN
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Jeff Lang TITLE Vice President of Operations

SIGNATURE _____ DATE 8/22/06

(This space for State use only)

API NUMBER ASSIGNED: 43047-38508 APPROVAL:

RECEIVED
AUG 24 2006
DIV. OF OIL, GAS & MINING

(11/2001) (See Instructions on Reverse Side)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO: ML-47502	6. SURFACE: Indian
1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐	7. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Indian Tribe
B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER _____ SINGLE ZONE ☐ MULTIPLE ZONE ☑	8. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: Miller, Dyer & Co., LLC	9. WELL NAME and NUMBER: Ute Tribal 16-16-14-20
3. ADDRESS OF OPERATOR: 475 17th St Suite 1200 CITY Denver STATE CO ZIP 80202 / PHONE NUMBER: (303) 292-0949	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 674 FSL 525 FEL 613796X 39.593990 AT PROPOSED PRODUCING ZONE: SAME 43833854 -109.675199	11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 16 14S 20E S
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: See Topo Map "A" (Attached)	12. COUNTY: Uintah / 13. STATE: UTAH

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBER OF ACRES IN LEASE:	17. NUMBER OF ACRES ASSIGNED TO THIS WELL:
525	1280	40
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	**19. PROPOSED DEPTH:**	**20. BOND DESCRIPTION:**
2880	5,000	RLB0008085
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):	**22. APPROXIMATE DATE WORK WILL START:**	**23. ESTIMATED DURATION:**
7143 GR	10/1/2006	3 Weeks

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25. **ATTACHMENTS**

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☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☐ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
☑ COMPLETE DRILLING PLAN
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Jeff Lang TITLE Vice President of Operations

SIGNATURE _____ DATE 8/22/06

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38508 APPROVAL:

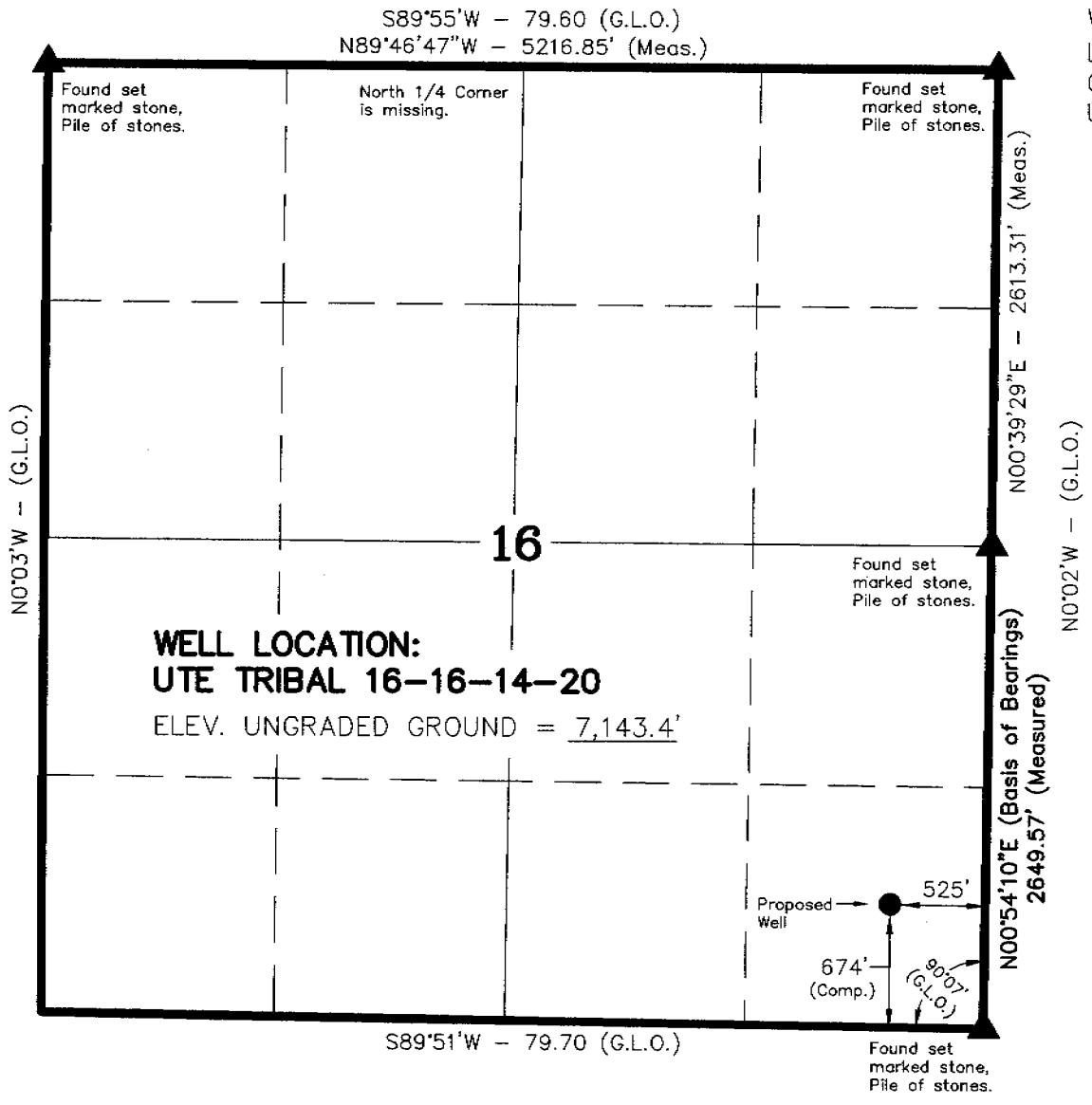
RECEIVED
AUG 24 2006
DIV. OF OIL, GAS & MINING

(11/2001) (See Instructions on Reverse Side)

T14S, R20E, S.L.B.&M.

MILLER, DYER & CO.

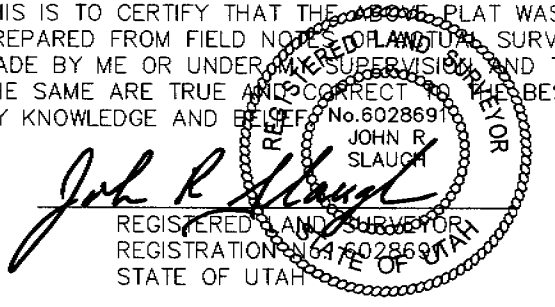
WELL LOCATION, UTE TRIBAL 16-16-14-20, LOCATED AS SHOWN IN THE SE 1/4 SE 1/4 OF SECTION 16, T14S, R20E, S.L.B.&M. UINTAH COUNTY, UTAH.



NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.
3. The proposed well bears N37°02'47"W 853.50' from the Southeast Corner of Section 16.

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



JOHN R. SLAUGH
REGISTERED LAND SURVEYOR
REGISTRATION No. 6028691
STATE OF UTAH

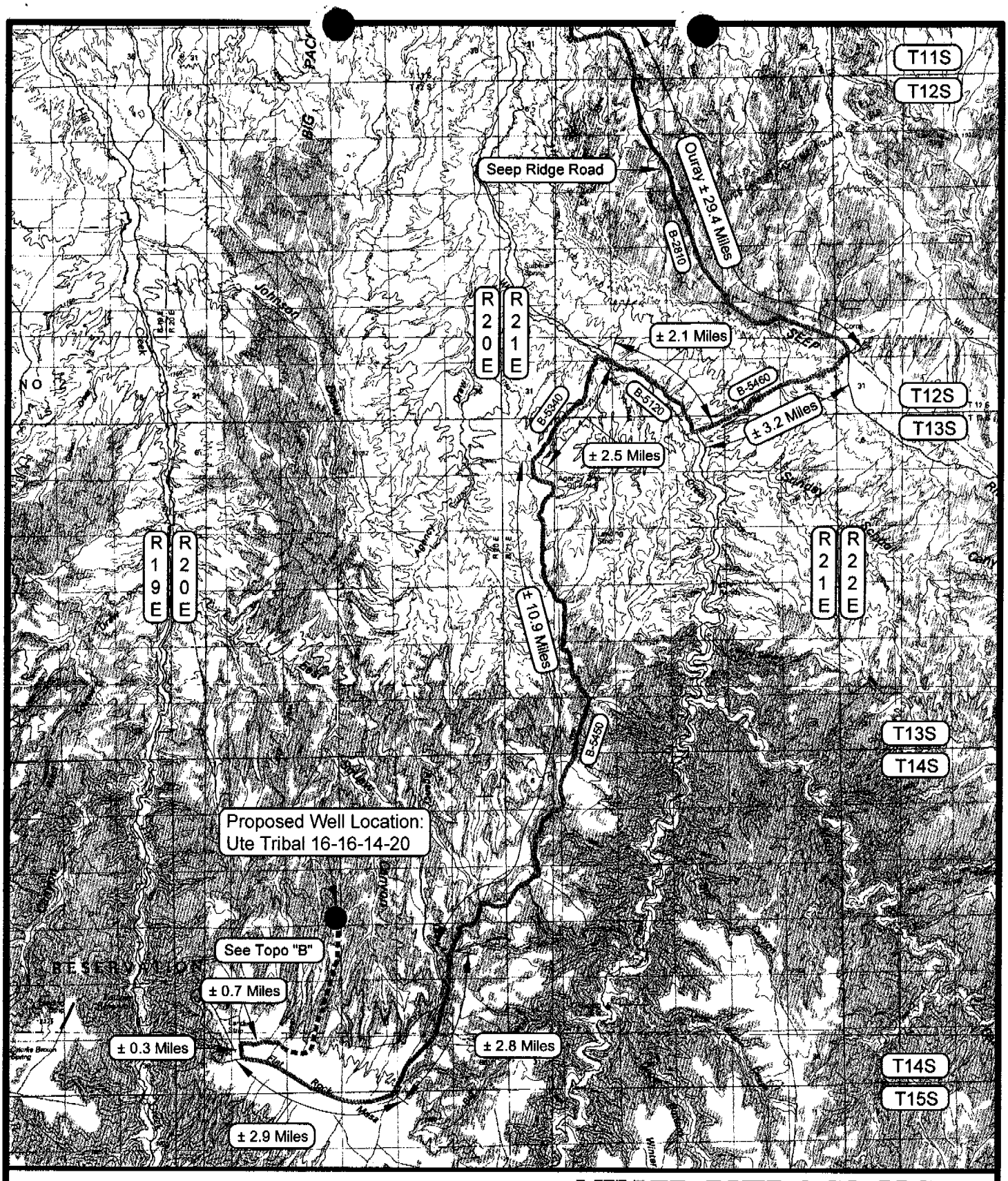
▲ = SECTION CORNERS LOCATED

BASIS OF ELEVATION IS BENCH MARK 60 WF 1952 LOCATED IN THE SW 1/4 OF SECTION 35, T14S, R20E, S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS SHOWN ON THE FLAT ROCK MESA 7.5 MIN. QUADRANGLE AS BEING 7363'.

UTE TRIBAL 16-16-14-20
(Proposed Well Head)
NAD 83 Autonomous
LATITUDE = 39° 35' 38.15"
LONGITUDE = 109° 40' 33.49"

TIMBERLINE LAND SURVEYING, INC.
38 WEST 100 NORTH. - VERNAL, UTAH 84078
(435) 789-1365

DATE SURVEYED: 07-12-06	SURVEYED BY: K.R.K.	SHEET 2
DATE DRAWN: 07-18-06	DRAWN BY: BJ.Z.	OF 10
SCALE: 1" = 1000'	Date Last Revised:	



LEGEND

PROPOSED ACCESS ROAD
= SUBJECT WELL
= OTHER WELLS
= EXISTING ROAD
= EXISTING ROAD (TO BE IMPROVED)

B-5460 = COUNTY ROAD CLASS & NUMBER

N

MILLER, DYER & CO. LLC

Ute Tribal 16-16-14-20
SECTION 16, T14S, R20E, S.L.B.&M.
674' FSL & 525' FEL

TOPOGRAPHIC MAP "A"		DATE SURVEYED: 07-12-06
		DATE DRAWN: 07-20-06
SCALE: 1:150,000	DRAWN BY: BJ.Z.	REVISED:

Timberline Land Surveying, Inc.
38 West 100 North Vernal, Utah 84078
(435) 789-1365

SHEET 7 OF 10

DRILLING PLAN
MILLER, DYER & CO. LLC

UTE TRIBAL #16-16-14-20
SESE Section 16 T14S-R20E

1. Estimated Formation Tops

Estimated Formation Tops:	MD	
Green River	Surface	
Wasatch	2,300'	Oil and/or gas anticipated > 3,000'
Mesaverde	4,550'	Gas

2. Pressure Control Equipment

Schematic attached (Diagram "A")

Blow Out Preventer (BOP) will be equipped as follows:

A. Type: Eleven (11) Inch double Gate Hydraulic 3,000 psi BOP mounted on a 3,000 psi casinghead.
   a. One set of blind rams (above)
   b. One set of pipe rams (below)
   c. Appropriate fill, kill and choke lines will be 2" x 2,000 psi working pressure

B. Auxiliary Equipment:
   Auxiliary equipment to include upper Kelly cock with a handle, a floor safety valve with subs to fit all drill string connections in use, and a string float valve.

   A rotating head will be installed above the blow-out preventer to divert any hydrocarbons in the drilling mud away from the rig floor.

C. Pressure Rating: 3,000 psi WP

D. Testing Procedure:

Hydraulic Ram-Type BOP
At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack of 3,000 psi. This pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:
1) When the BOP is initially installed.
2) Whenever any seal subject to test pressure is broken.

3) Following related repairs; and
4) At thirty (30) day intervals

In addition to the above, the pipe and blind rams will be activated each trip, but no more that once each day.

E. Choke Manifold Equipment:
All choke lines will be straight lines; turns will use tee blocks, or targeted running tees, and will be anchored to prevent whip and vibration. The manifold will have two (2) manual chokes and a pressure gauge.

F. Accumulator:
The accumulator will have sufficient capacity to open the hydraulically controlled choke line valve, if so equipped, close all rams plus the annular BOP, and retain a minimum of 200 psi above precharge on the closing manifold without the use of the closing unit pumps. The fluid reservoir capacity will be double the usable fluid volume of the accumulator system capacity, and the fluid level of the reservoir will be maintained to the manufacturer's recommendations.

G. Miscellaneous Information:
The choke manifold and BOP ram extensions rods with hand wheels will be located outside the rig substructure. The hydraulic BOP closing unit will be located at least 25 feet from the well head, but readily accessible to the driller. Exact location and configuration of the hydraulic BOP closing unit will depend on the layout of the particular rig contracted to drill this well.

A flare line will be installed from the choke manifold to a flare pit, extending a minimum of 125 feet from the center of the drill hole.

The BOP and related pressure control equipment will be installed, tested and maintained in compliance with the specifications and requirements of the Onshore oil and Gas Order Number 2.

3. **Auxiliary Equipment**
   a. Kelly cock – Yes
   b. Float sub at bit – No
   c. Mud logger & instrumentation – Yes
   d. Full-opening safety valve on rig floor – Yes
   e. Rotating head – No

4. Casing Program

	Setting Depth	Hole Size	Casing O.D.	Grade	Weight/Ft.	Thread
Conductor	40'	20"	16"	Conductor	0.250" wall	
Surface	0' - 300'	12-1/4"	9-5/8"	J-55	36#	STC
Production	0'- 5,000'	8-3/4"	5-1/2"	J-55	15.5#	STC

- Subject to review on the basis of actual conditions encountered. Production casing depth will be adjusted based on results.

Cement Program

Conductor Casing: 0'-40'

Ready Mix to surface

Surface Casing: 0' – 300'

Cement:

0'-300'
15.6 ppg Standard Type V
2% CaCl2
¼ #/sk cello flake
Cement yield = 1.18 ft3/sk w/ 5 gal/sk water
Annular volume = 300' * 0.3132 ft3/ft = 94.0 ft3
Excess = 50%
Total volume w/ excess = 94.0 ft3 * 1.50 = 141.0 ft3
Cement Requirement = 141.0 ft3 / 1.18 ft3/sk = **120 sks**

Production Casing: 0'-5,000'

Lead Cement:

0'-2500'
11.0 ppg Halliburton Hi-Fill (or equivalent)
16% Bentonite (light weight additive)
0.75% Econolite (light weight additive)
10 #/sk gilsonite (lost circulation additive)
0.25 #/sk Flocele (lost circulation additive)
3% salt
1% HR-7 (retarder)

Cement yield = 3.84 ft3/sk w/ 23 gal/sk water
Volume inside surface casing = 300' * 0.2691 ft3/ft = 80.7 ft3
Excess = 0%
Annular volume = 2200' * 0.2526 ft3/ft = 555.7 ft3
Excess = 35%
Annular volume w/ excess = 555.7 ft3 * 1.35 = 750.2 ft3
Total volume = 80.7 + 750.2 = 830.9 ft3
Lead Cement Requirement = 830.9 ft3 / 3.84 ft3/sk = **216 sks**

Tail Cement:

2500'-5000' plus shoe joint
14.35 ppg 50/50 Poz Premium
0.6% Halad® - 322 (Low Fluid Loss Control)
2% Microbond M (Cement Material)
5% Salt
¼ #/sk Flocele (Loct Circulation Additive)
0.2% HR-5 (Retarder)
Cement yield = 1.25 ft3/sk w/ 5.46 gal/sk water
Annular volume = 2500' * 0.2526 ft3/ft = 631.5 ft3
Excess = 50%
Total annular volume w/ excess = 631.5 ft3 * 1.50 = 947.3 ft3
Shoe volume = 45' * 0.1336 ft3/ft = 6.0 ft3
Excess (shoe) = 0%
Total volume w/ excess (incl. shoe) = 947.3 + 6.0 = 953.3 ft3
Tail Cement Requirement = 953.3 ft3 / 1.25 ft3/sk = **763 sks**

Displacement Volume:

4955' * 0.0238 bbl/ft = 117.9 bbls

5. **Mud Program** (visual monitoring)

Interval	Mud Type	Weight	Viscosity	Fluid Loss
0'-2,400'	Water/Gel/Lime/Native Clays	8.3-8.6 ppg	33-36 sec/qt	N/C
2,400'-5000'	KCl/Polymer or DAP/Polymer	9.0-9.3 ppg	38-42 sec/qt	8-10cc

Sufficient mud materials to maintain mud properties, control lost circulation, contain a "gas" kick, and rebuild an active mud system will be available on location during drilling operations.

6. **Testing, Logging, Coring**

a. Drill stem tests – non anticipated
b. Electric logs - DIL/SP/GR, FDC/CNL/CAL/PE/GR, both from TD to surface

c. Coring – possible sidewall coring in the Dakota, Cedar Mountain, Morrison and Entrada.

7. Anticipated Bottom Hole Pressure and Temperature, and other Potential Hazards

A. Bottom Hole Pressure:

Maximum anticipated bottom hole pressure is 2,165 psi (calculated at 0.433 psi/ft. at the 5,000' level of the Mesaverde). This normal pressure gradient is consistent with pressures seen in the nearby Flat Rock Field. Therefore, the maximum anticipated surface pressure is 1065 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/ft.).

B. Bottom Hole Temperature:

The bottom hole temperature anticipated in this wellbore is approximately 120 degrees Fahrenheit at 5,000 TVD. This anticipated temperature is consistent with the temperatures encountered in wells drilled previously to similar depths in the Flat Rock Field.

C. Abnormal Pressures or Temperatures:

As demonstrated above, no abnormal pressures or temperatures are anticipated in this well.

D. Potential Hazards:

No hydrogen sulfide (H_2S) gas or other potential hazards have been encountered or are known to exist in any well drilled to similar depths in the general area.

8. Anticipated Starting Date and Duration

Spud Date: Upon governmental approval and drilling rig availability

Duration of Operations:

1) Drilling: Approximately 10 days.
2) Completion: Approximately 10 days

Drilling Notification:

The spud date will be reported orally to the Utah Division of Oil, Gas & Mining, 24 hours prior to spudding, unless otherwise instructed in the site specific conditions of approval.

SURFACE USE PLAN
MILLER, DYER & CO. LLC

UTE TRIBAL 16-16-14-20
SESE Section 16 T14S-R20E

1. Existing Roads:
   a. Topographic Map "A" shows the vicinity of the well, including a portion of the Agency Draw Road. This road is reached from Ouray, Utah, by following the Seep Ridge Road south to Buck Canyon; taking the Buck Canyon road west to the Willow Creek Road; then north on the Willow Creek Road to Santio Crossing, which is at the junction of the Willow Creek Road and the Agency Draw Road . The Flat Rock Mesa Road then continues 3.2 miles to the Flat Rock Field.
   b. Topographic Map "B" shows the point approximately 55 miles south of Ouray where the access road to the well departs from the Flat Rock Mesa Road. Beyond this point the access road consists of 0.7 mile of existing lease road leading to an existing well pad in the NENE of Section 29-R14E-R20E. Three miles of new road trending North Northeast will lead to a 135' access for the Ute Tribal 16-16-14-20 location.

2. Planned Access Road: (refer to Topographic Map "D")
   a. Length of new road will be approximately 135 feet.
   b. The right-of-way width is 30' (15' on either side of the centerline) with a 20-foot wide running surface.
   c. Maximum grade will be less than 2%
   d. No turn-outs are planned.
   e. The new road will be crowned, ditched and dipped to provide adequate drainage.
   f. Culverts will be used if necessary.
   g. No gates are cattle guards will be needed. Nor will any existing facilities be modified.
   h. The proposed road was flagged when the location was staked.
   i. The authorized officer will be contacted at least 24 hours in advance of commencement of construction of the access road and well pad.

3. Location of Existing Wells:
   a. The nearest producing well is the Flat Rock #3-29-14-20, located approximately 2 miles southwest of the proposed well location in Section 29-T14S-R20E.

4. Location of Existing and/or Proposed Facilities:
   a. There are no existing facilities on the proposed well pad. All proposed facilities will be contained within the proposed location site (see attached "Location Layout"). Topographic Map "D" shows the proposed route for a gas line, to be co-located in the access road right-of-way, and connected to the Miller, Dyer & Co. LLC gathering system.

b. The operator will submit information concerning proposed on and off well pad facilities once production has been established by applying for approval of subsequent operations.

5. Location and Type of Water Supply:
   a. Miller, Dyer & Co. existing water supply well the Ute Tribal 30-4A, located in the NENW Section 30-T14S-R20E on Indian surface has been approved by the Ute Indian Tribe. The existing BIA water permit number for the well is #14-20-H62-5069.
   b. Some produced water from existing wells may be used for drilling. Fresh water may also be taken at a point of diversion at Santio Crossing from Willow Creek in the SESE Section 29-T12S-R21E, SLB&M, if available during the drought. This water will be taken under the terms of the Ute Oilfield Water Service's state filing.
   c. Water will be transported by truck on the Agency Draw and Flat rock Mesa roads.

6. Source of Construction Materials:
   a. It is anticipated that any construction materials will be needed for the drilling phase of this project. Gravel, shale or road base materials needed to upgrade access roads and well pad will be obtained from the operator's pit located on SITLA land near Chimney Rock.
   b. The entire well site and all access roads to be upgraded for built are located on lands held in trust by the federal government for the Ute Indian Tribe.
   c. All construction materials used in building the well pad and access road will be native materials accumulated during construction. In the event that additional materials are needed, they will be obtained from the operator's existing pit on SILTA land or from private sources.

7. Methods for Handling Waste Disposal:
   a. Methods and locations for safe containment and disposal of the following materials:
      1. Drill cuttings will be buried in the reserve pit.
      2. Garbage and trash will be contained in trash baskets and hauled to a sanitary landfill. There will be no burning of trash on the location at any time.
      3. Salts will be kept in proper containers and salvaged for future use or disposed of at an approved facility.
      4. Chemicals will be kept in proper containers and salvaged for future use or disposed of at an approved facility.
      5. Sewage waste will be contained in portable chemical toilets serviced by a commercial sanitary service.

   b. Drilling fluids will be contained in the reserve pit and mud tanks. To the extent possible, drilling fluids and water will be saved for use at future drilling locations. Unusable drilling fluids and water will be disposed of in an approved manner upon the completion of the well.

c. No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater that 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, of this well. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of this well.

d. Reserve pit and waste water disposal:
    1. The reserve pit will be constructed so as not to lead, break, or allow the discharge of fluids.
    2. The reserve pit will be lined with 12 mil plastic nylon reinforced liner installed over sufficient bedding material to cover any exposed rocks. The pit will be fenced on three sides with 39" net wire, topped with a minimum of one strand of barbed wire. All wire will be stretched prior to attachment to the corner posts. The fourth side will be fenced when drilling activities are completed to allow drying.
    3. The closure of the reserve pit will follow the Guidance for Reserve Pit Closure as found in the Environmental Handbook of the State of Utah, Division of Oil, Gas & Mining.
        a) The reserve pit will be closed within one year following drilling and completion of a well (R649-16.3).
        b) Liquid in a pit will be allowed to either evaporate or be removed. If removed, it will be disposed of properly, some options are injection (in this well or another), hauled to a permitted disposal facility, or re-used at another well.
        c) The pit liner may be cut off above the cuttings/mud level and hauled to a landfill, or folded in and processed along with other pit contents and covered. No remnants of liner material will be exposed at the surface when pit closure is complete. Pit area will be mounded so as not to allow ponding of water and drainage diverted around as not to allow erosion of the old pit site.
    4. A closed drilling system will not be used as there is no irrigable land, floodplains, or lands under crop production.
    5. In accordance with Onshore Order No. 7, a permanent disposal method and location will be applied for within 90 days of establishing production.
    6. After first production:
        a) Produced waste water will be confined to the reserve pit, or a storage tank for a period not to exceed 90 days.
        b) During the 90 day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis will be submitted to the authorized officer.

c) No produced water will be used for dust or weed control of any kind. Should spills of oil, produced water, or hazardous materials occur, the area of the spill will be re-mediated and contaminated soil and recovered oil or hazardous materials will be hauled to an approved disposal facility.

8. Ancillary Facilities:
   a. No airstrips will be built. Mobile living quarters and office facilities for supervisors, geologists, mud engineers, mud loggers and air compressor personnel will be confined to the drilling location as shown on the "Location Layout" diagram. The drilling crew will be housed on location.

9. Well Site Layout:
   a. Refer to attached "Typical Cross Section" diagram for cuts and fills and relation to topography.
   b. Refer to "Location Layout" diagram for location of mud tanks, reserve and flare pits, pipe racks, living facilities and top soil stockpiles.
   c. Refer to "Location Layout" diagram for rig orientation, access road and parking area. Parking area will be in the northeast corner of the location.

10. Plans for Restoration of the Surface:
   a. Producing well location
      1. Immediately upon well completion the location and surrounding area will be cleared of all tubing, equipment, debris, materials, trash and junk not required for production.
      2. Immediately upon well completion any hydrocarbons on the reserve pit will be removed and disposed of properly.
      3. The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days of the date of well completion, or as soon thereafter as is practical. Before any dirt work takes place, the reserve pit must be completely dry and all cans, barrels, pipe, etc removed. The liner will be perforated and torn prior to backfilling.
      4. Access roads will be graded and maintained to prevent erosion and accommodate year-round traffic.
      5. All disturbed areas not needed for operations will be seeded with the mixture required by the BIA in the manner specified by the BIA.

   b. Dry Hole/Abandoned Location
      1. At such time as it is determined that the well is to be plugged and abandoned, the operator will submit a subsequent report of abandonment to the BLM and the BIA. The BLM will attach plugging conditions of approval, and the BIA will attach conditions of approval for the restoration of the surface.

11. Surface Ownership:

a. Access roads and location are held in trust for the Ute Indian Tribe by the Unites States. The operator has obtained a right-of-way with the BIA and submitted payment for damages as specified in its Exploration and Development Agreement with the Ute Indian Tribe.

12. Additional Information:
    a. The operator will inform all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and will inform the assigned monitor and the authorized officer (AO) at the BIA. Within five working days the AO will inform the operator as to:
        1. Whether the materials appear to be eligible for the National Register of Historic Places;
        2. The mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
        3. A time frame for the AO to complete an expedited review under 36 CFR 900.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

    b. If the operator wishes at any time to relocate activities to avoid the cost of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will be allowed to resume construction.
    c. At the request of the Ute Indian Tribe, a 30'-wide fire break will be bladed around the perimeter of the location.

13. Lessee's or Operator's Representative and Certification:
    a. Jeff Lang, Vice President of Operations
    Miller, Dyer & Co. LLC
    475 17th Street, Suite 1200
    Denver, CO 80202
    Office: 303 292 0949 Ext 102
    FAX: 303 292 3901
    Cell: 303 503 3730
    Email: jeff@millerdyer.com

I hereby certify that I have inspected the proposed drill site and access road; that I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and that the work associated with the operations proposed here will be performed by Miller, Dyer & Co. LLC, and its

contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that Miller, Dyer & Co. LLC is considered to be the operator of the Ute Tribal #16-16-14-20 well; SESE of Section 16, T14S-R20E and all producing zones; Uintah County, Utah; and is responsible for the operations conducted upon the leased lands. Bond coverage is provided by Certificate of Deposit.

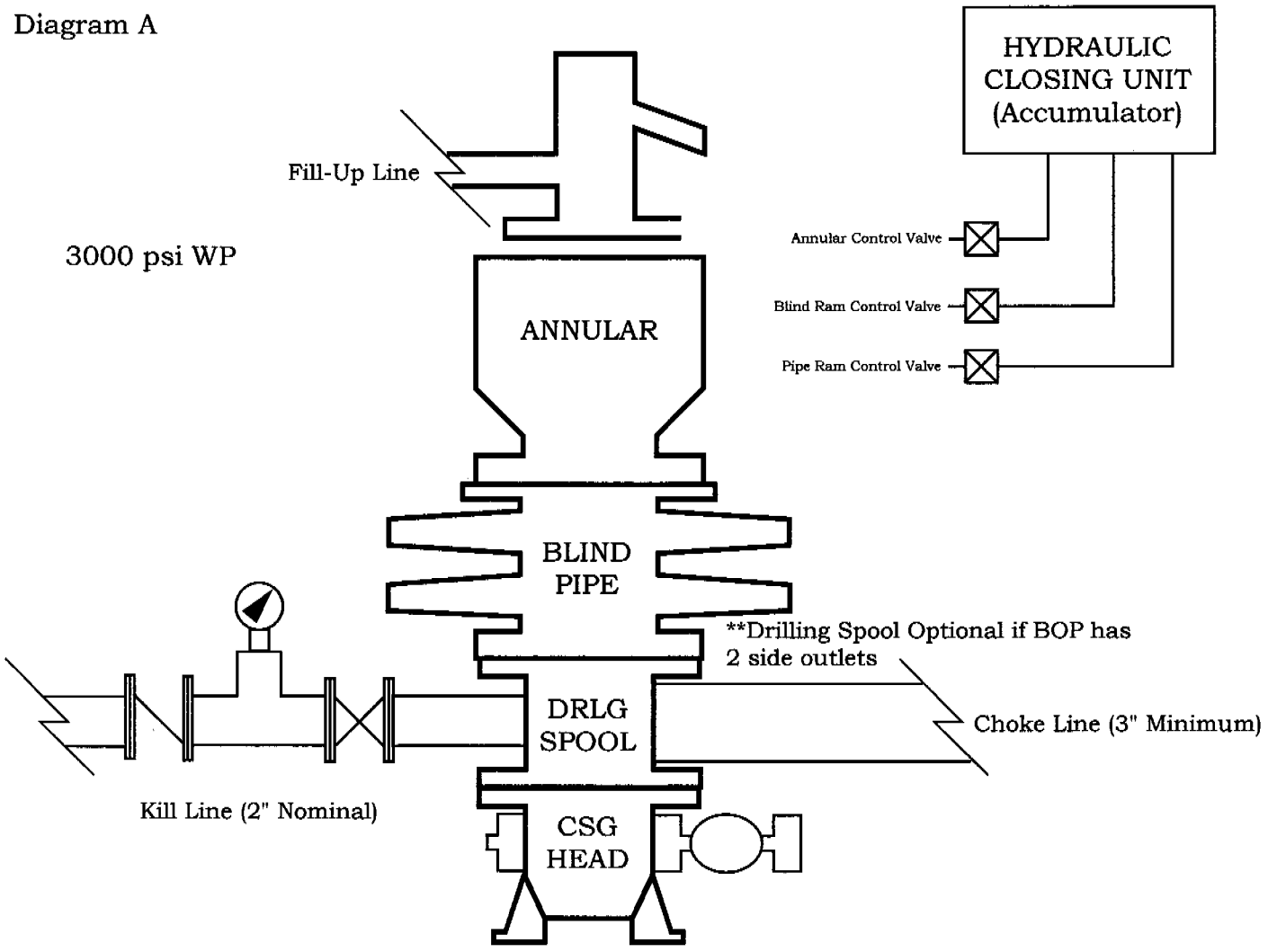
8/22/06
Date

Jeff Lang
Vice President of Operations

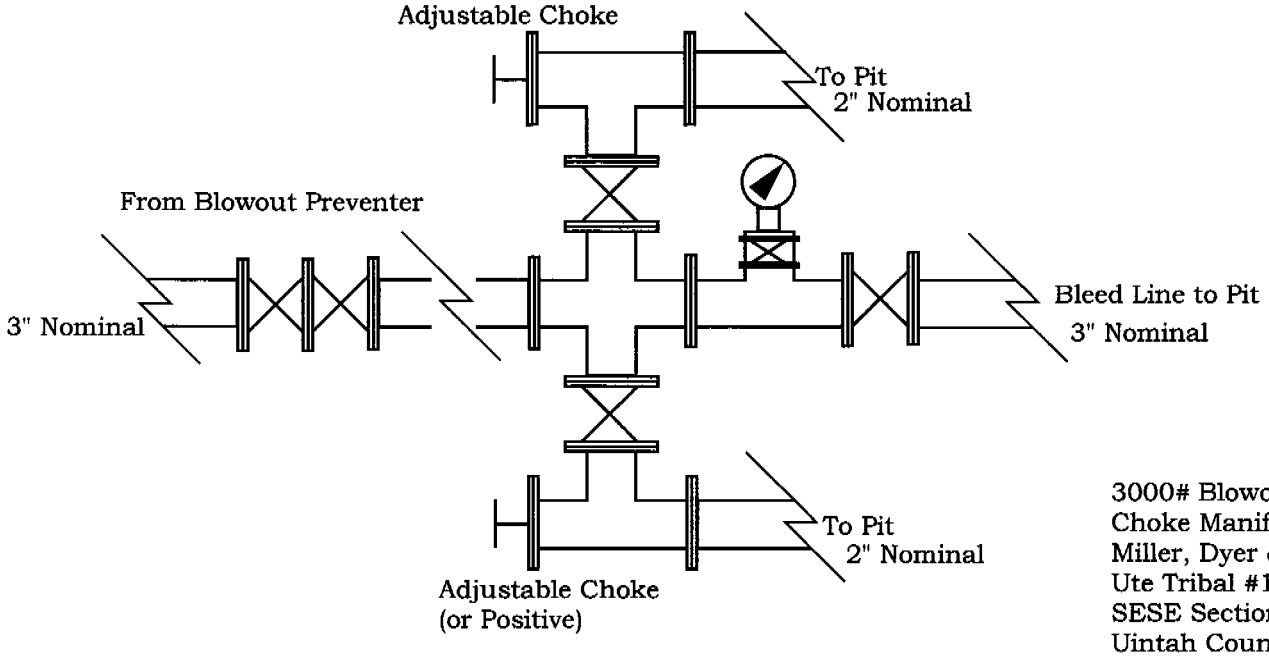
The onsite inspection for this well was conducted on _____, 2006

Participants in the onsite inspection were:
Kolby Kay, Timberline Land Surveying
John E. Dyer, Miller, Dyer & Co. LLC
_____ Ute Indian Tribe
_____ Ute Indian Tribe
_____ (contractor....)
_____ BIA rep
_____ State of Utah rep

Diagram A



Choke Manifold Requirement (3000 psi WP)



3000# Blowout Preventer &
Choke Manifold Schematic
Miller, Dyer & Co. LLC
Ute Tribal #16-16-14-20
SESE Section 16 T14S-R20E
Uintah County, Utah

DRIVING DIRECTIONS
MILLER, DYER & CO. LLC

Ute Tribal 16-16-14-20
Section 16, T14S, R20E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14 MILES TO THE JUNCTION OF STATE HIGHWAY 88. TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 17 MILES TO OURAY, UTAH. FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 29.4 MILES TO ITS INTERSECTION WITH THE BUCK CANYON ROAD (COUNTY B ROAD 5460). TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG COUNTY B ROAD 5460 APPROXIMATELY 3.2 MILES TO WILLOW CREEK. TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION ALON THE WILLOW CREEK ROAD (COUNTY B ROAD 5120) APPROXIMATELY 2.1 MILES TO ITS INTERSECTION WITH THE AGENCY DRAW ROAD (COUNTY B ROAD 5340). TURN LEFT AND PROCEED IN A WESTERLY THEN SOUTHWESTERLY DIRECTION ALONG COUNTY B ROAD 5340 APPROXIMATELY 2.5 MILES TO ITS INTERSECTION WITH THE FLAT ROCK ROAD (COUNTY B ROAD 5450). TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG COUNTY B ROAD 5450 APPROXIMATELY 10.9 MILES TO THE FLAT ROCK MESA ROAD. PROCEED IN A SOUTHWESTERLY DIRECTION ALONG THE FLAT ROCK MESA ROAD APPROXIMATELY 2.8 MILES TO ITS INTERSECTION WITH THE BLACK KNOLLS ROAD. CONTINUE IN A WESTERLY THEN NORTHWESTERLY DIRECTION ALONG THE FLAT ROCK MESA ROAD APPROXIMATELY 2.9 MILES TO THE NORTH FORK OF THE FLAT ROCK MESA ROAD. TURN RIGHT AND PROCEED IN A NORTHERLY DIRECTION ALONG THE NORTH FORK OF THE FLAT ROCK MESA ROAD APPROXIMATELY 0.3 MILES TO A SERVICE ROAD. TURN RIGHT AND PROCEED IN AN EASTERLY DIRECTION ALONG THE SERVICE ROAD APPROXIMATELY 0.7 MILES TO AN EXISTING WELL PAD. PROCEED IN A SOUTHEASTERLY DIRECTION ACROSS THE WELL PAD APPROXIMATELY 350 FEET TO THE PROPOSED ACCESS ROAD FOR THE 8-16-14-20 WELL. FOLLOW ROAD FLAGS IN AN EASTERLY THEN NORTHERLY DIRECTION APPROXIMATELY 3.0 MILES TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 135 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 88.9 MILES IN A SOUTHERLY DIRECTION.

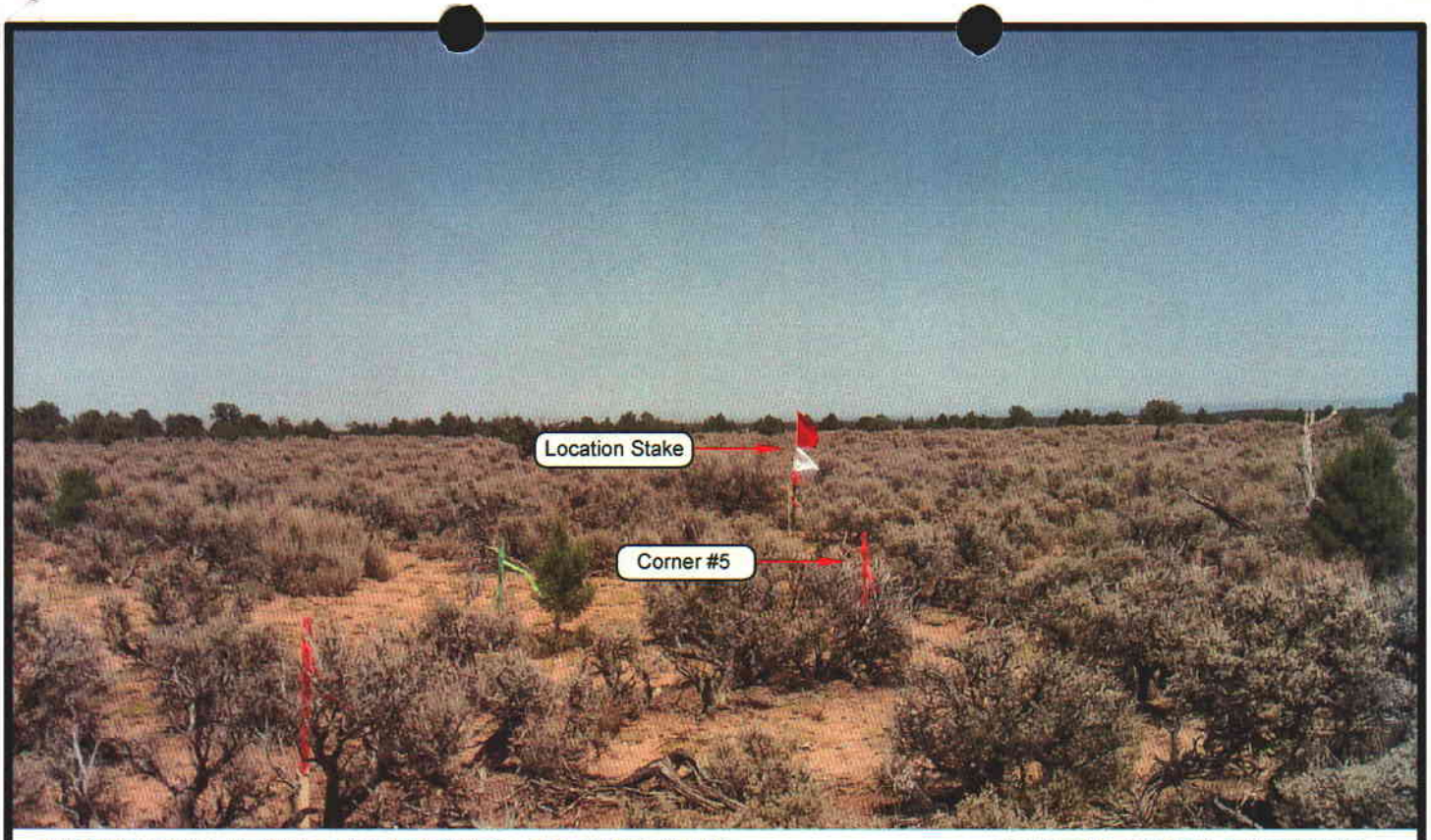


PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: EASTERLY

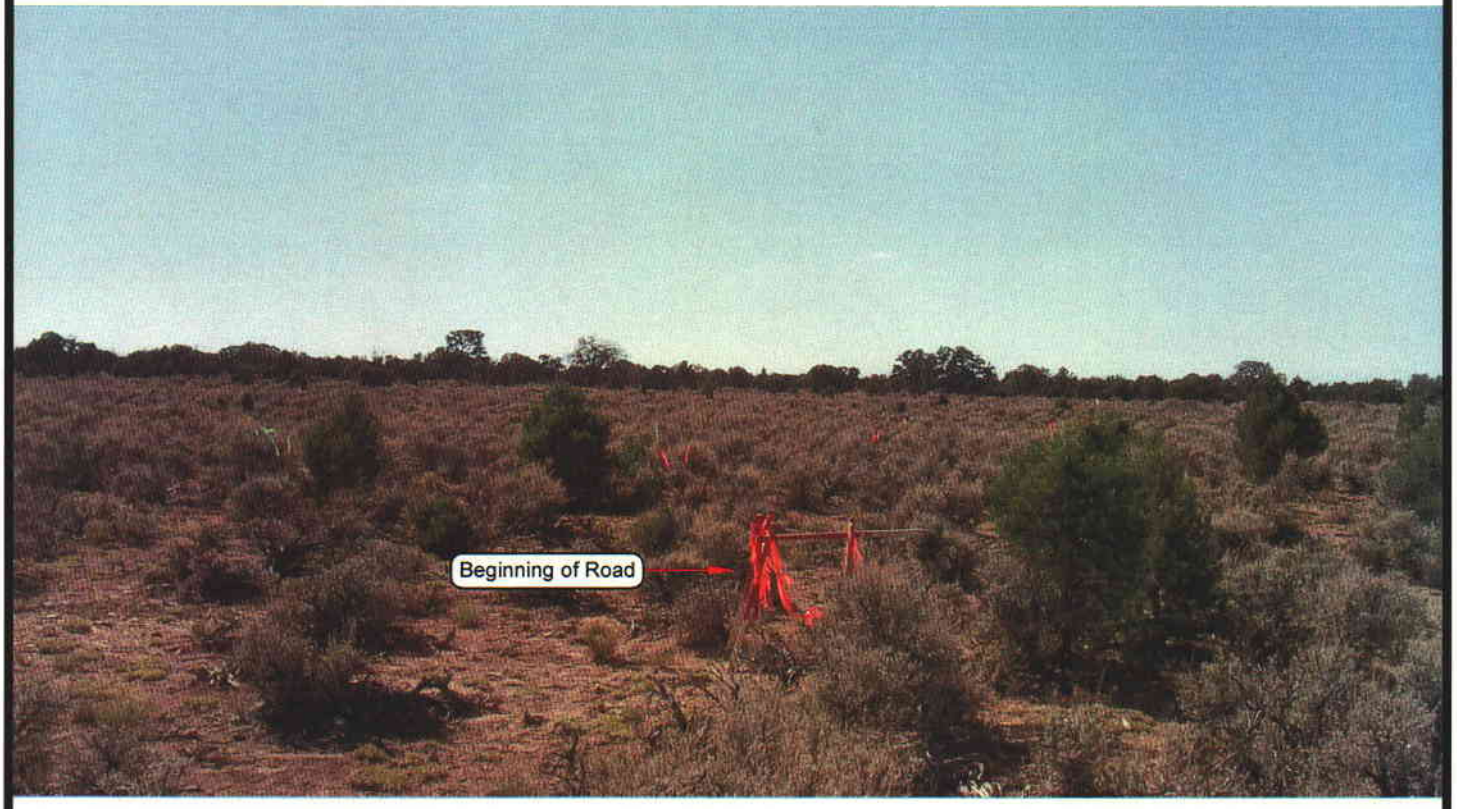


PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHWESTERLY

MILLER, DYER & CO. LLC

Ute Tribal 16-16-14-20
SECTION 16, T14S, R20E, S.L.B.&M.
674' FSL & 525' FEL

LOCATION PHOTOS		DATE TAKEN: 07-12-06
		DATE DRAWN: 07-20-06
TAKEN BY: K.R.K.	DRAWN BY: B.J.Z.	REVISED:

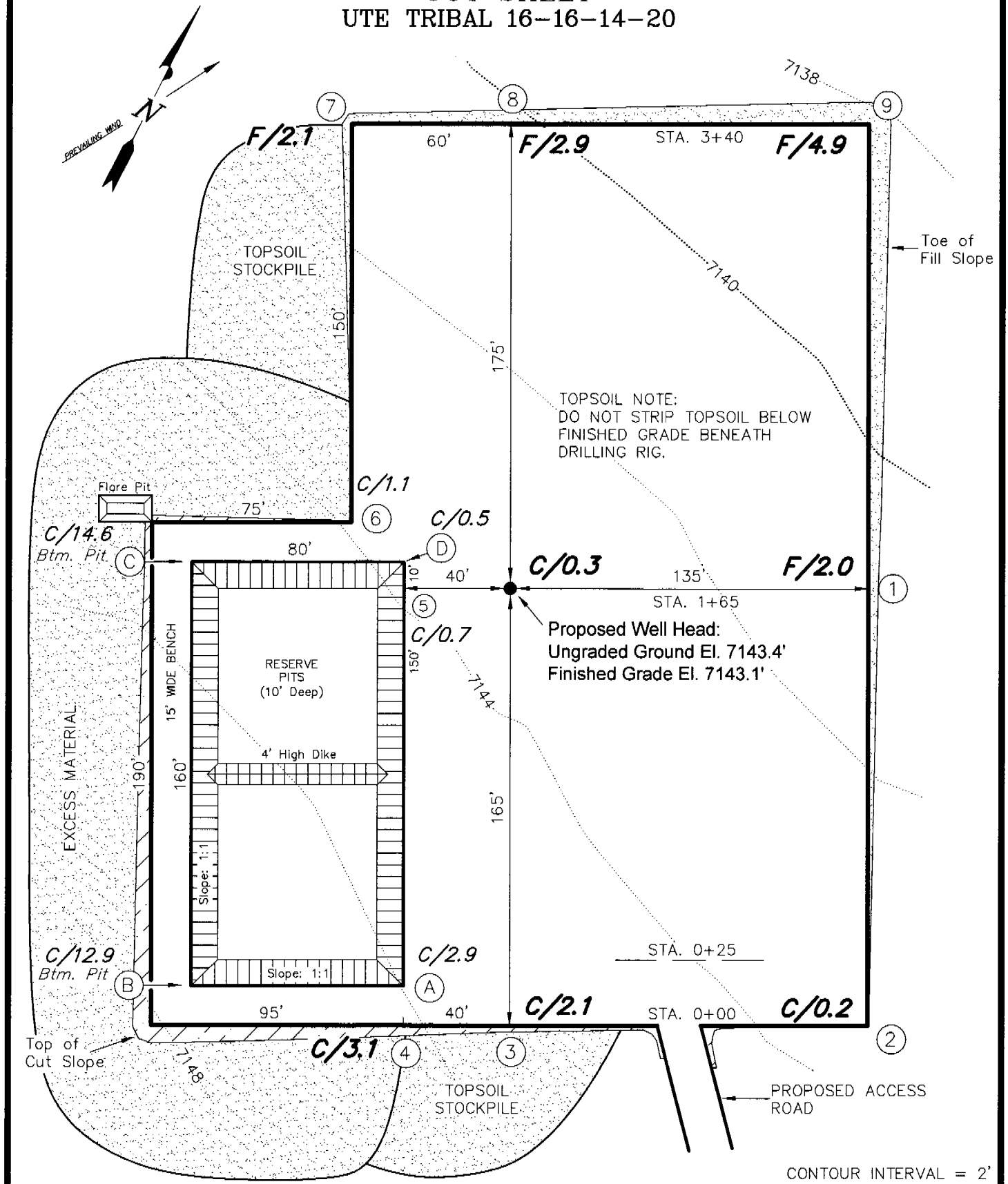
Timberline Land Surveying, Inc.
38 West 100 North Vernal, Utah 84078
(435) 789-1365

SHEET 1 OF 10

MILLER, DYER & CO.

CUT SHEET

UTE TRIBAL 16-16-14-20



CONTOUR INTERVAL = 2'

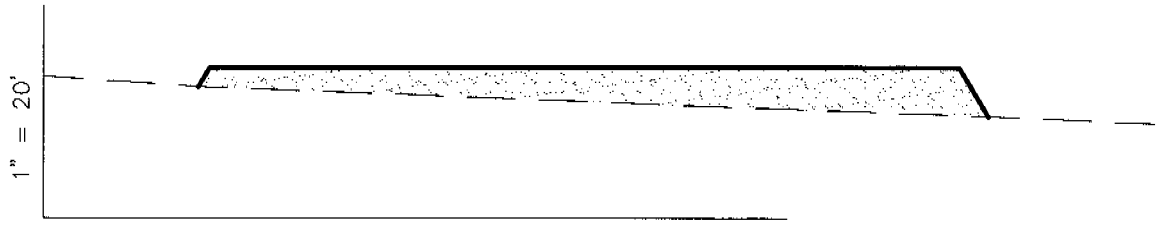
Section 16, T14S, R20E, S.L.B.&M.	Qtr/Qtr Location: SE/SE	Footage Location: 674' FSL & 525' FEL	
Date Surveyed: 07-12-06	Date Drawn: 07-18-06	Date Last Revision:	
Surveyed By: K.R.K..	Drawn By: BJ.Z.	Scale: 1" = 50'	

Timberline Land Surveying, Inc. (435) 789-1365
38 WEST 100 NORTH VERNAL, UTAH 84078

MILLER, DYER & CO.

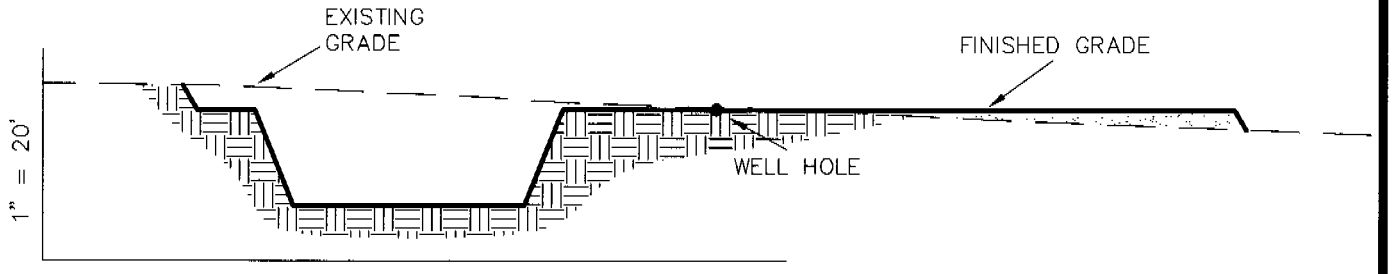
CROSS SECTIONS

UTE TRIBAL 16-16-14-20



1" = 50'

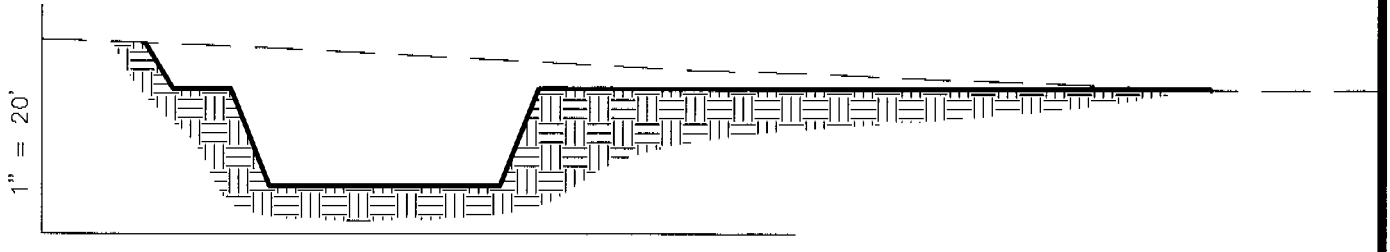
STA. 3+40



1" = 50'

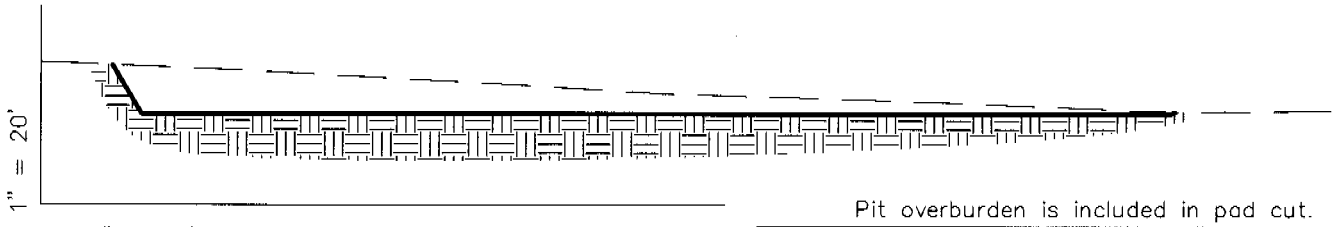
STA. 1+65

NOTE:
UNLESS OTHERWISE NOTED
ALL CUT/FILL SLOPES ARE
AT 1.5:1



1" = 50'

STA. 0+25



1" = 50'

STA. 0+00

REFERENCE POINTS

185' NORTHEASTERLY = 7,140.3'
235' NORTHEASTERLY = 7,139.9'
225' NORTHWESTERLY = 7,139.2'
275' NORTHWESTERLY = 7,137.9'

Pit overburden is included in pad cut.

ESTIMATED EARTHWORK QUANTITIES
(No shrink or swell adjustments have been used)
(Expressed in Cubic Yards)

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	2,150	3,680	Topsoil is not included in Pad Cut	-1,530
PIT	3,850	0		3,850
TOTALS	6,000	3,680	1,490	2,320

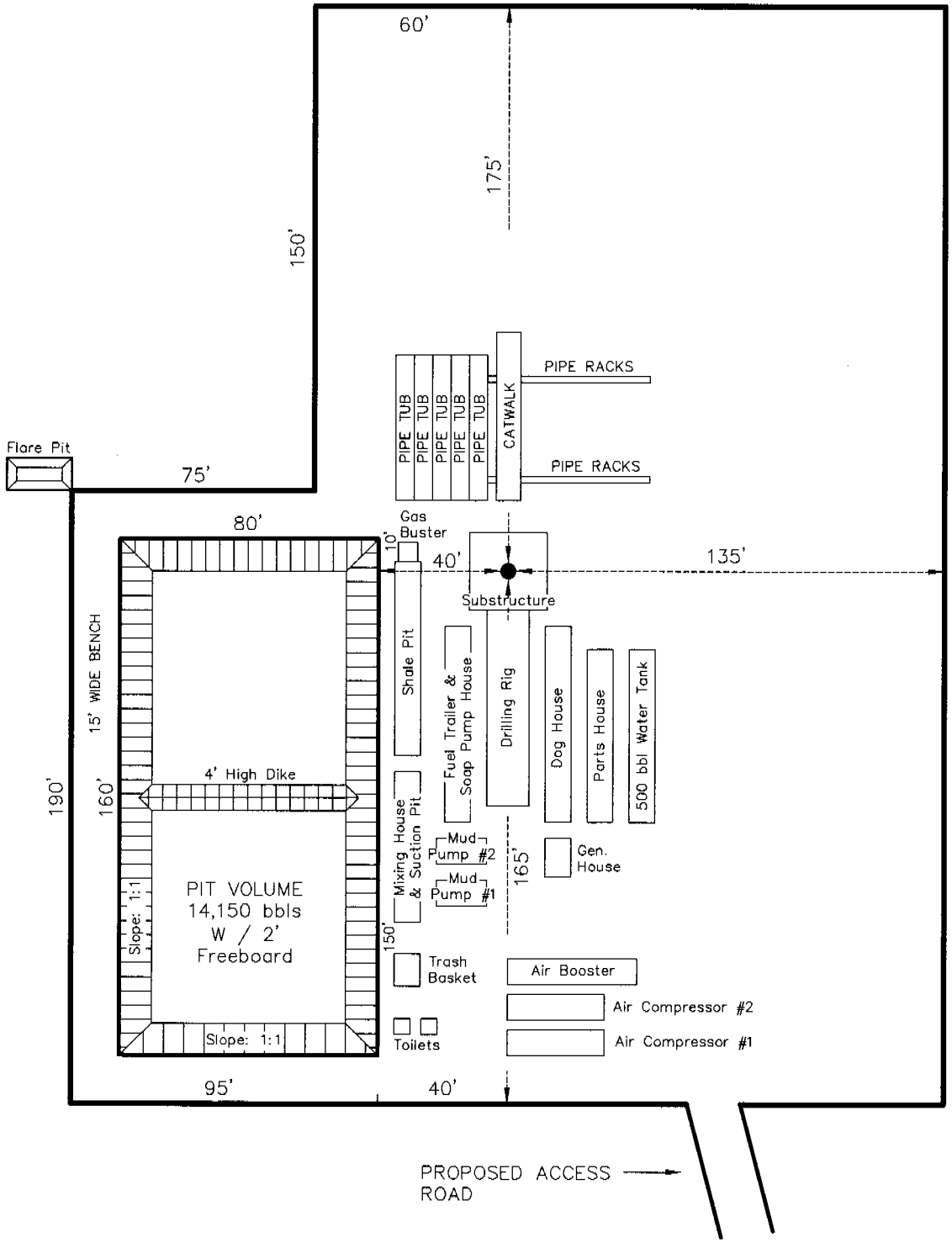
Excess Material after Pit Rehabilitation = 390 Cu. Yds.

Section 16, T14S, R20E, S.L.B.&M.	Qtr/Qtr Location: SE/SE	Footage Location: 674' FSL & 525' FEL	
Date Surveyed: 07-12-06	Date Drawn: 07-18-06	Date Last Revision:	
Surveyed By: K.R.K..	Drawn By: BJ.Z.	Scale: 1" = 50'	

Timberline Land Surveying, Inc. (435) 789-1365
38 WEST 100 NORTH VERNAL, UTAH 84078

MILLER, DYER & CO.

TYPICAL RIG LAYOUT
UTE TRIBAL 16-16-14-20

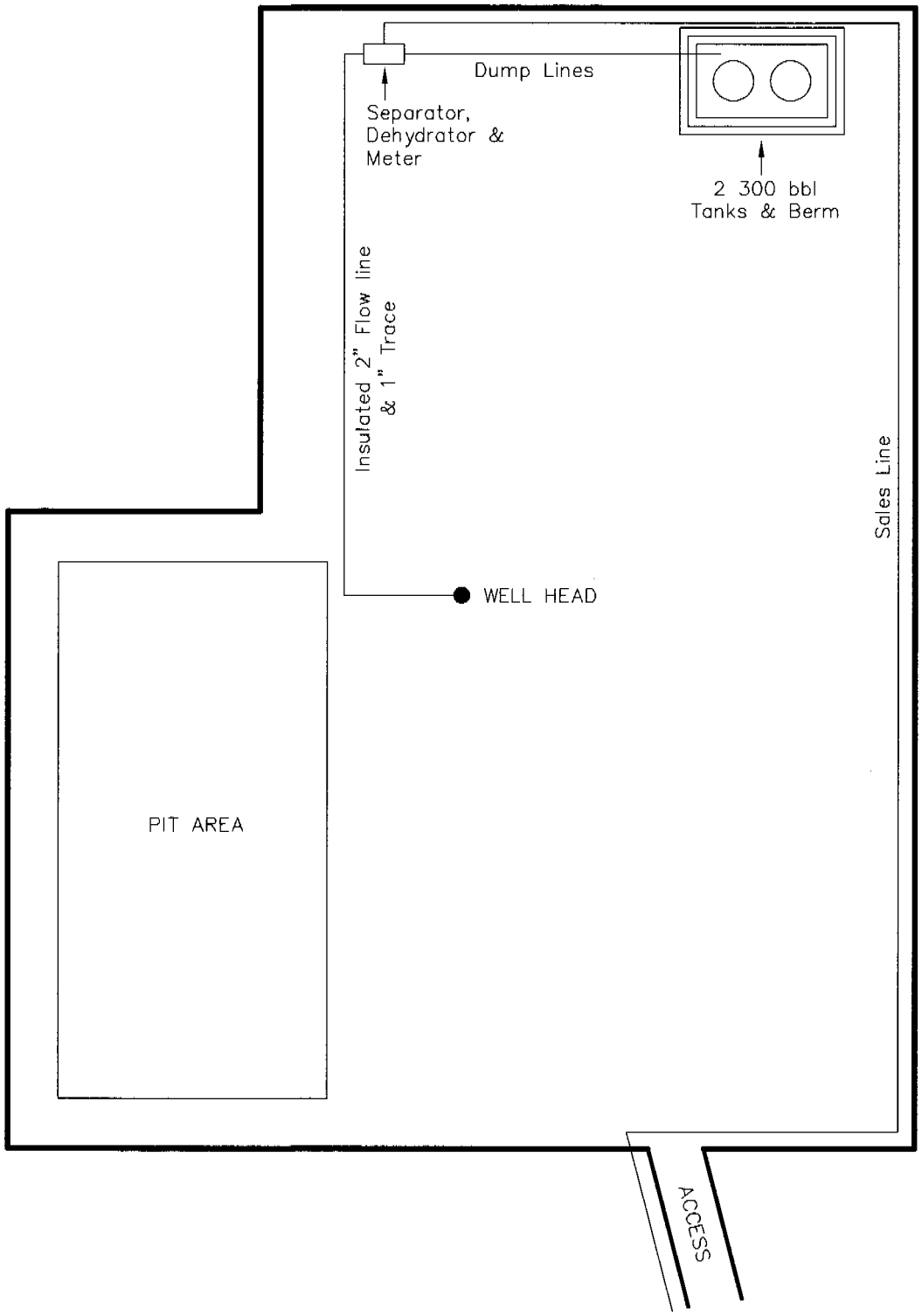


Section 16, T14S, R20E, S.L.B.&M.	Qtr/Qtr Location: SE/SE		Footage Location: 674' FSL & 525' FEL	
Date Surveyed: 07-12-06	Date Drawn: 07-18-06	Date Last Revision:	Timberline Land Surveying, Inc. (435) 789-1365 38 WEST 100 NORTH VERNAL, UTAH 84078	SHEET 5 OF 10
Surveyed By: K.R.K..	Drawn By: BJ.Z.	Scale: 1" = 50'		

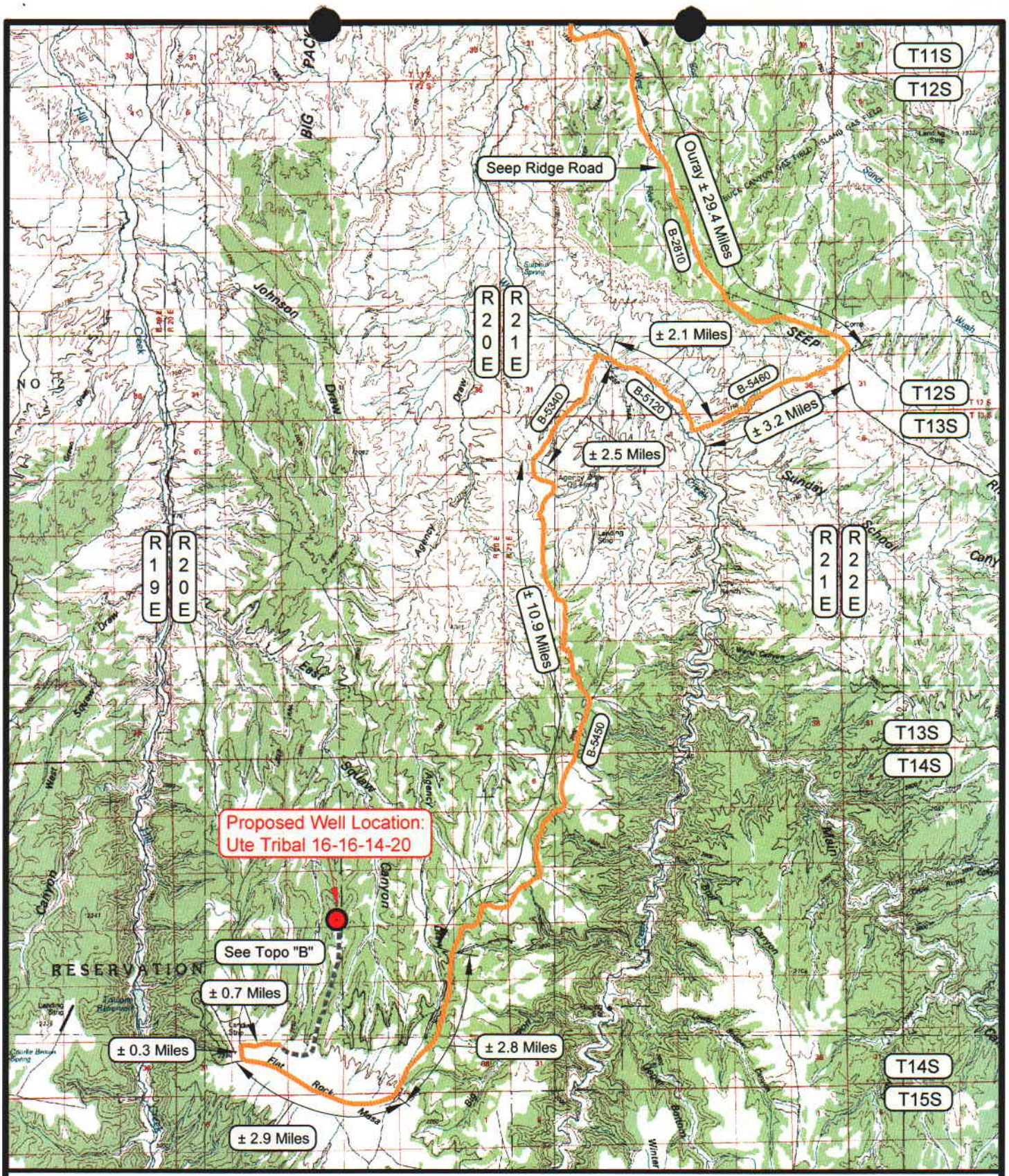
MILLER, DYER & CO.

TYPICAL PRODUCTION LAYOUT

UTE TRIBAL 16-16-14-20



Section 16, T14S, R20E, S.L.B.&M.	Qtr/Qtr Location: SE/SE	Footage Location: 674' FSL & 525' FEL		
Date Surveyed: 07-12-06	Date Drawn: 07-18-06	Date Last Revision:	Timberline Land Surveying, Inc. (435) 789-1365 38 WEST 100 NORTH VERNAL, UTAH 84078	SHEET 6 OF 10
Surveyed By: K.R.K..	Drawn By: BJ.Z.	Scale: 1" = 50'		



LEGEND

PROPOSED ACCESS ROAD
= SUBJECT WELL
= OTHER WELLS
= EXISTING ROAD
= EXISTING ROAD (TO BE IMPROVED)

B-5460 = COUNTY ROAD CLASS & NUMBER

N

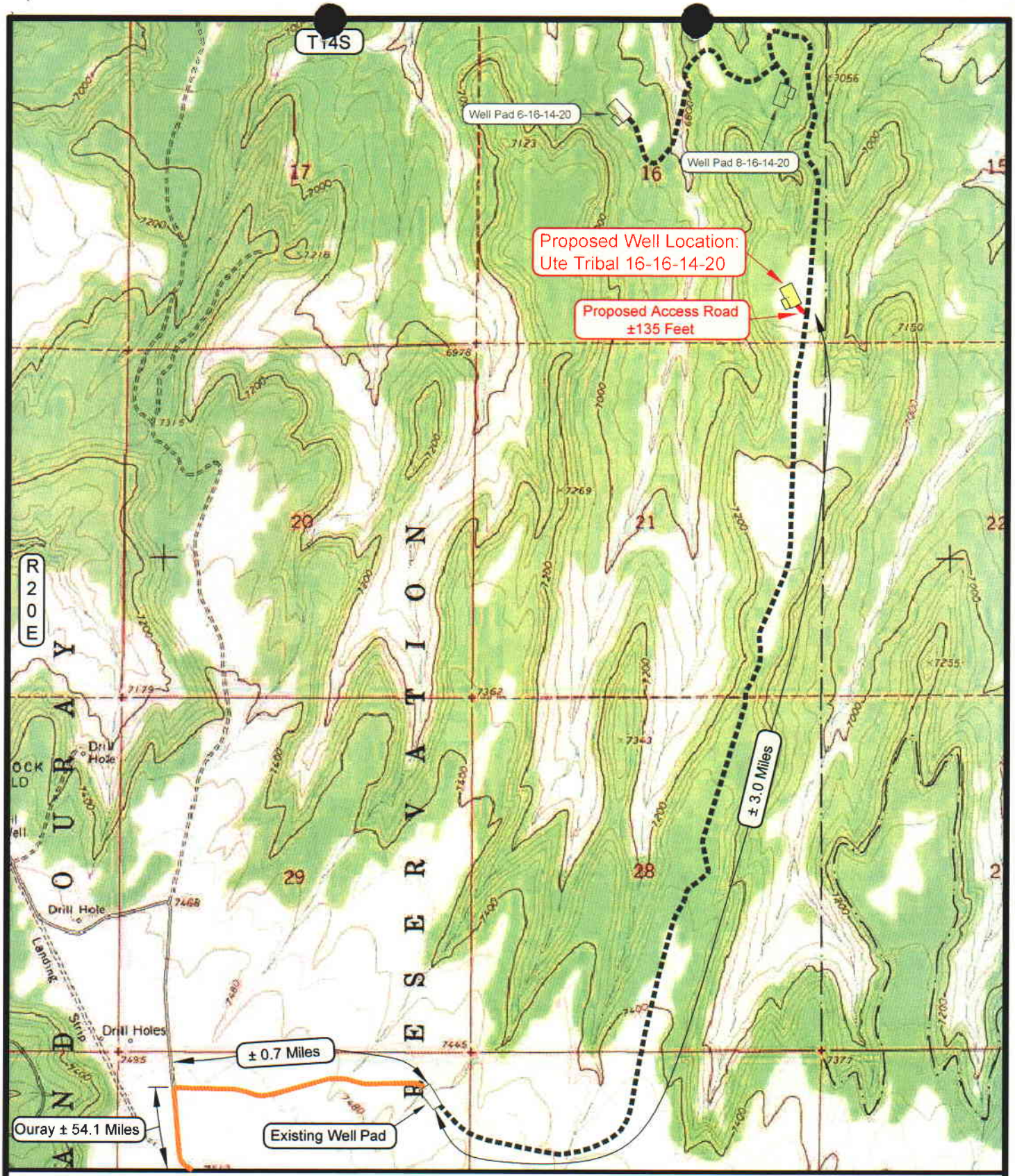
MILLER, DYER & CO. LLC

Ute Tribal 16-16-14-20
SECTION 16, T14S, R20E, S.L.B.&M.
674' FSL & 525' FEL

TOPOGRAPHIC MAP "A"	DATE SURVEYED: 07-12-06
	DATE DRAWN: 07-20-06
SCALE: 1:150,000 / DRAWN BY: B.J.Z.	REVISED:

Timberline Land Surveying, Inc.
38 West 100 North Vernal, Utah 84078
(435) 789-1365

SHEET 7 OF 10



LEGEND

PROPOSED ACCESS ROAD
= SUBJECT WELL
= SHARED ACCESS
= EXISTING ROAD
= EXISTING ROAD (TO BE IMPROVED)
B-5460 = COUNTY ROAD CLASS & NUMBER
= LEASE LINE AND / OR PROPERTY LINE

N

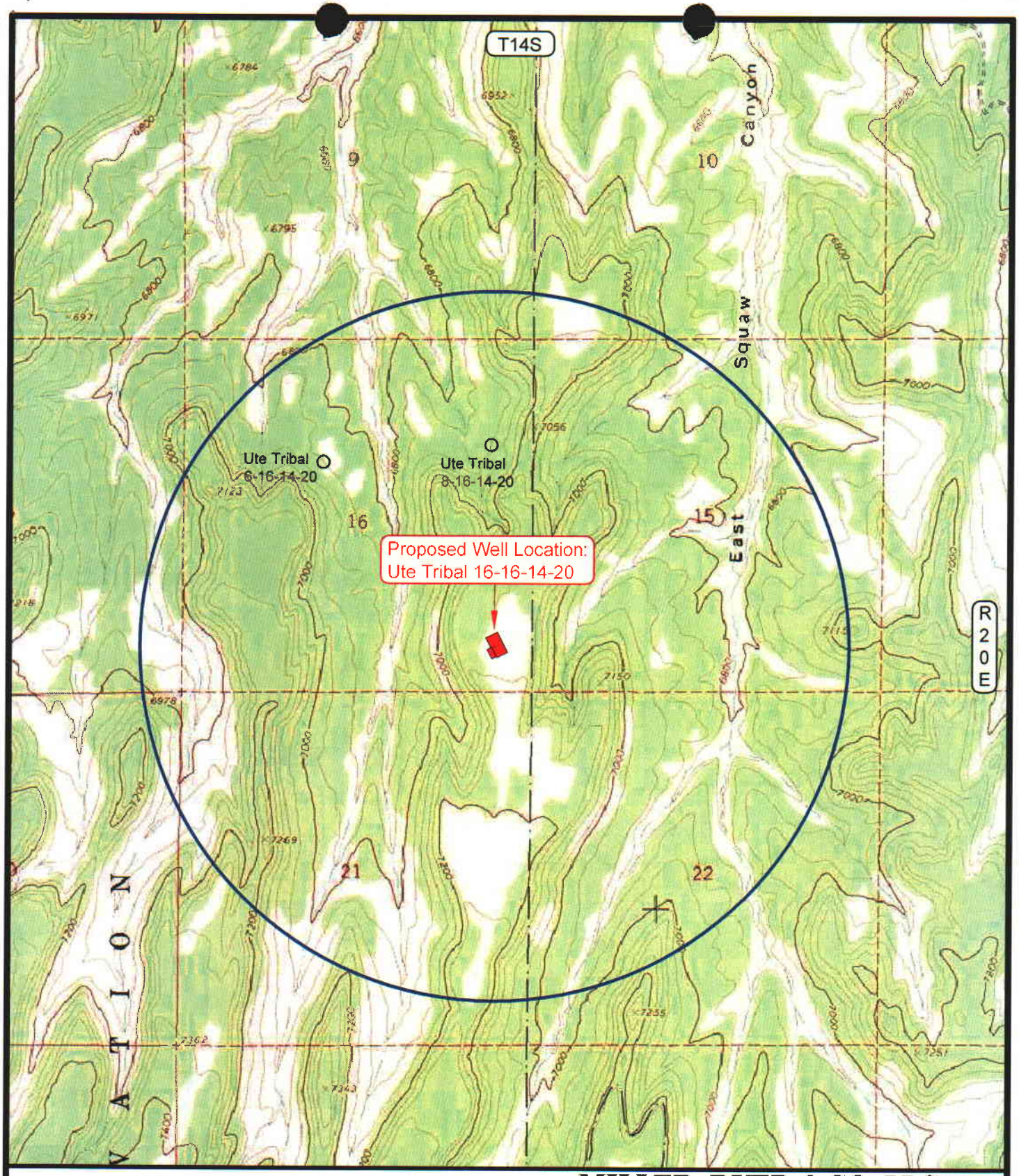
MILLER, DYER & CO. LLC

Ute Tribal 16-16-14-20
SECTION 16, T14S, R20E, S.L.B.&M.
674' FSL & 525' FEL

TOPOGRAPHIC MAP "B"	DATE SURVEYED: 07-12-06
	DATE DRAWN: 07-20-06
SCALE: 1" = 2000' / DRAWN BY: BJ.Z.	REVISED:

Timberline Land Surveying, Inc.
38 West 100 North Vernal, Utah 84078
(435) 789-1365

SHEET 8 OF 10



LEGEND

- ∅ = DISPOSAL WELL
- ● = PRODUCING WELL
- ● = SHUT IN WELL
- ○ = PROPOSED WELL
- ∅ = WATER WELL
- ● = ABANDONED WELL
- ● = TEMPORARILY ABANDONED WELL
- ⊕ = ABANDONED LOCATION

N

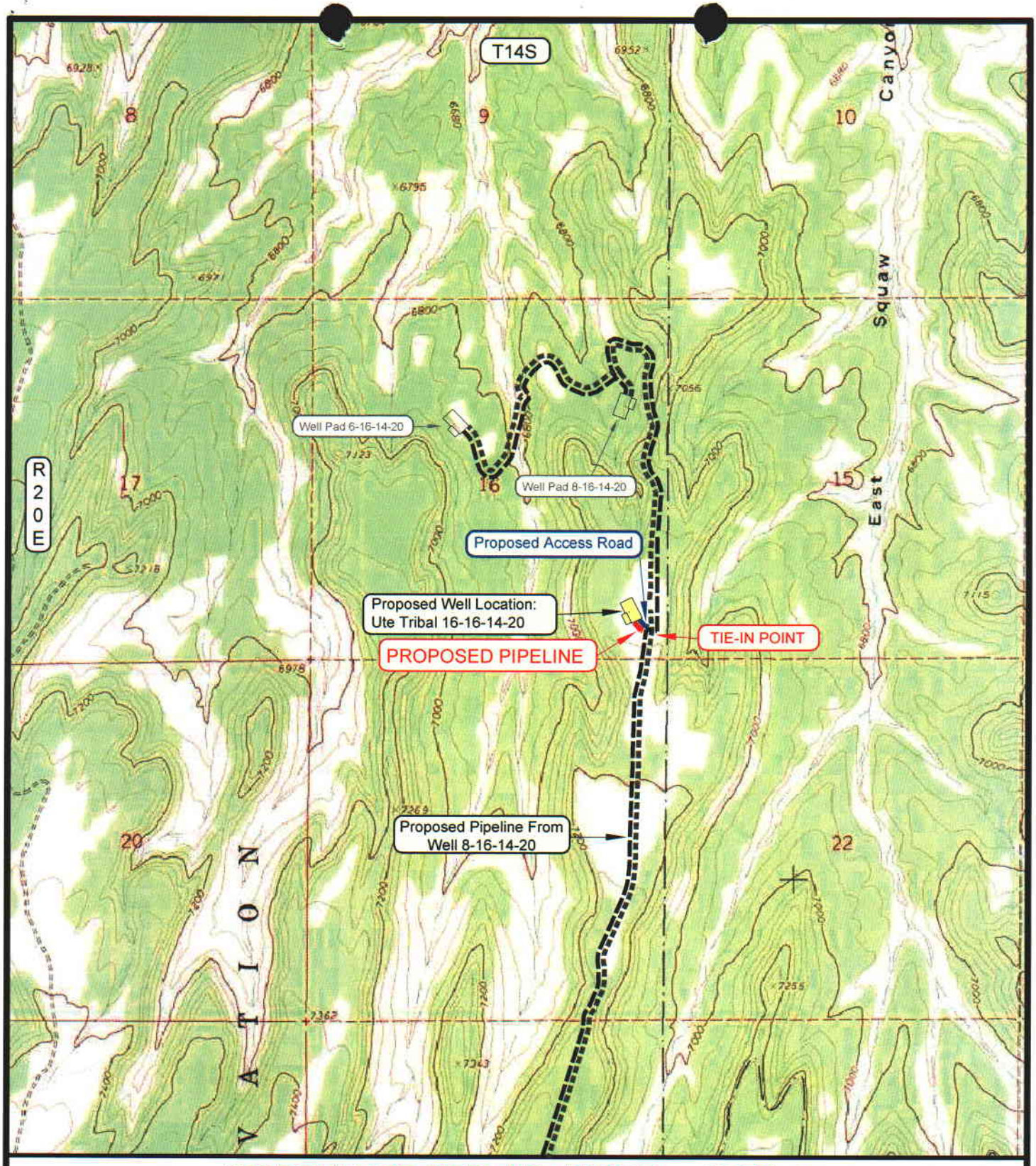
MILLER, DYER & CO. LLC

Ute Tribal 16-16-14-20
SECTION 16, T14S, R20E, S.L.B.&M.
674' FSL & 525' FEL

TOPOGRAPHIC MAP "C"	DATE SURVEYED: 07-12-06
	DATE DRAWN: 07-20-06
SCALE: 1" = 2000' / DRAWN BY: BJ.Z.	REVISED:

Timberline Land Surveying, Inc.
38 West 100 North Vernal, Utah 84078
(435) 789-1365

SHEET 9 OF 10



APPROXIMATE PIPELINE LENGTH = ±135 Feet

LEGEND

= PROPOSED PIPELINE
= OTHER PIPELINE
PROPOSED ACCESS ROAD
= SUBJECT WELL
= OTHER WELLS
= LEASE LINE AND / OR PROPERTY LINE

N

MILLER, DYER & CO. LLC

Ute Tribal 16-16-14-20
SECTION 16, T14S, R20E, S.L.B.&M.
674' FSL & 525' FEL

TOPOGRAPHIC MAP "D"	DATE SURVEYED: 07-12-06
	DATE DRAWN: 07-20-06
SCALE: 1" = 2000' / DRAWN BY: B.J.Z.	REVISED:

Timberline Land Surveying, Inc.
38 West 100 North Vernal, Utah 84078
(435) 789-1365

SHEET 10 OF 10

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/25/2006

API NO. ASSIGNED: 43-047-38508

WELL NAME: UTE TRIBAL 16-16-14-20

OPERATOR: MILLER, DYER & CO, LLC (N2580)

PHONE NUMBER: 303-292-0949

CONTACT: JEFF LANG

PROPOSED LOCATION:

SESE 16 140S 200E

SURFACE: 0674 FSL 0525 FEL

BOTTOM: 0674 FSL 0525 FEL

COUNTY: UINTAH

LATITUDE: 39.59399 LONGITUDE: -109.6752

UTM SURF EASTINGS: 613756 NORTHINGS: 4383325

FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKD	10/20/06
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-47502

PROPOSED FORMATION: MVRD

SURFACE OWNER: 2 - Indian

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[] Ind[] Sta[] Fee[]
(No. RLB0008085)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. 14-20-H62-5664)

Y RDCC Review (Y/N)
(Date: 09/15/2006)

NA Fee Surf Agreement (Y/N)

NA Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: _____

✓ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

___ Drilling Unit

Board Cause No: _____

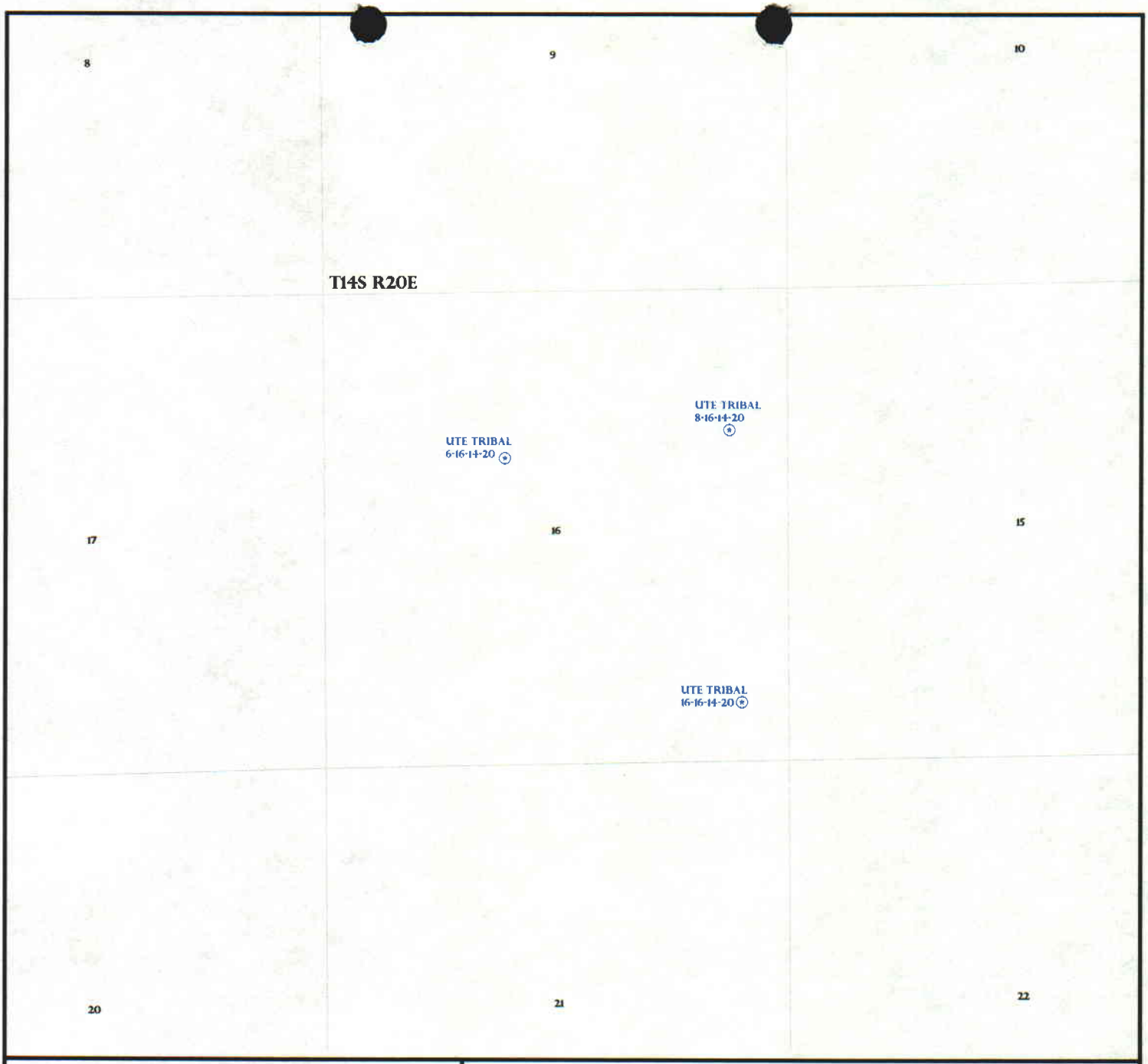
Eff Date: _____

Siting: _____

___ R649-3-11. Directional Drill

COMMENTS: Needs Permit

STIPULATIONS: 1- Federal Approval
2- Spacing Slip
3- STATEMENT OF BASIS



OPERATOR: MILLER, DYIER & CO (N2580)

SEC: 16 T.14S R. 20E

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

Utah Oil Gas and Mining

N
W E
S

PREPARED BY: DIANA WHITNEY

DATE: 31-AUGUST-2006

Application for Permit to Drill
Statement of Basis

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
134	43-047-38508-00-00		GW	I	No

Operator MILLER, DYER & CO, LLC **Surface Owner-APD**
Well Name UTE TRIBAL 16-16-14-20 **Unit**
Field WILDCAT **Type of Work**
Location SESE 16 14S 20E S 0 F L 0 F L GPS Coord (UTM) 613756E 4383325N

Geologic Statement of Basis

Miller, Dyer & Co. proposes to set 500 feet of surface casing and 5,000 feet of production casing, both cemented to the surface. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 16. The base of the moderately saline water is estimated at 2,500 feet. The surface formation at the proposed location is the Green River Formation. The Green River Formation is made up of interbedded sandstones, limestones and shales. Fresh water can be expected to be found in the upper Green River. The proposed casing and cementing program should cover the entire Green River section and adequately protect the Green River aquifer.

Brad Hill	10/23/2006
APD Evaluator	**Date / Time**

Surface Statement of Basis

The Ute Indian Tribe is the surface owner at this location. The operator is responsible for obtaining any needed permits or rights of way before causing any surface disturbance or drilling.

Brad Hill	10/23/2006
Onsite Evaluator	**Date / Time**

Conditions of Approval / Application for Permit to Drill

Category	Condition
	None

STATE ACTIONS
Resource Development Coordinating Committee
Public Lands Policy Coordination Office
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

1. State Agency	**2. Approximate date project will start:**
Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	Upon Approval or September 14, 2006

3. Title of proposed action:
Application for Permit to Drill

4. Description of Project:

Miller, Dyer & Co., LLC proposes to drill the Ute Tribal 16-16-14-20 well (wildcat) on a State lease ML-47502, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.

5. Location and detailed map of land affected (site location map required, electronic GIS map preferred)
(include UTM coordinates where possible) **(indicate county)**
674' FSL 525' FEL, SE/4 SE/4,
Section 16, Township 14 South, Range 20 East, Uintah County, Utah

6. Possible significant impacts likely to occur:
Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.

7. Identify local government affected
a. Has the government been contacted? No.
b. When?
c. What was the response?
d. If no response, how is the local government(s) likely to be impacted?

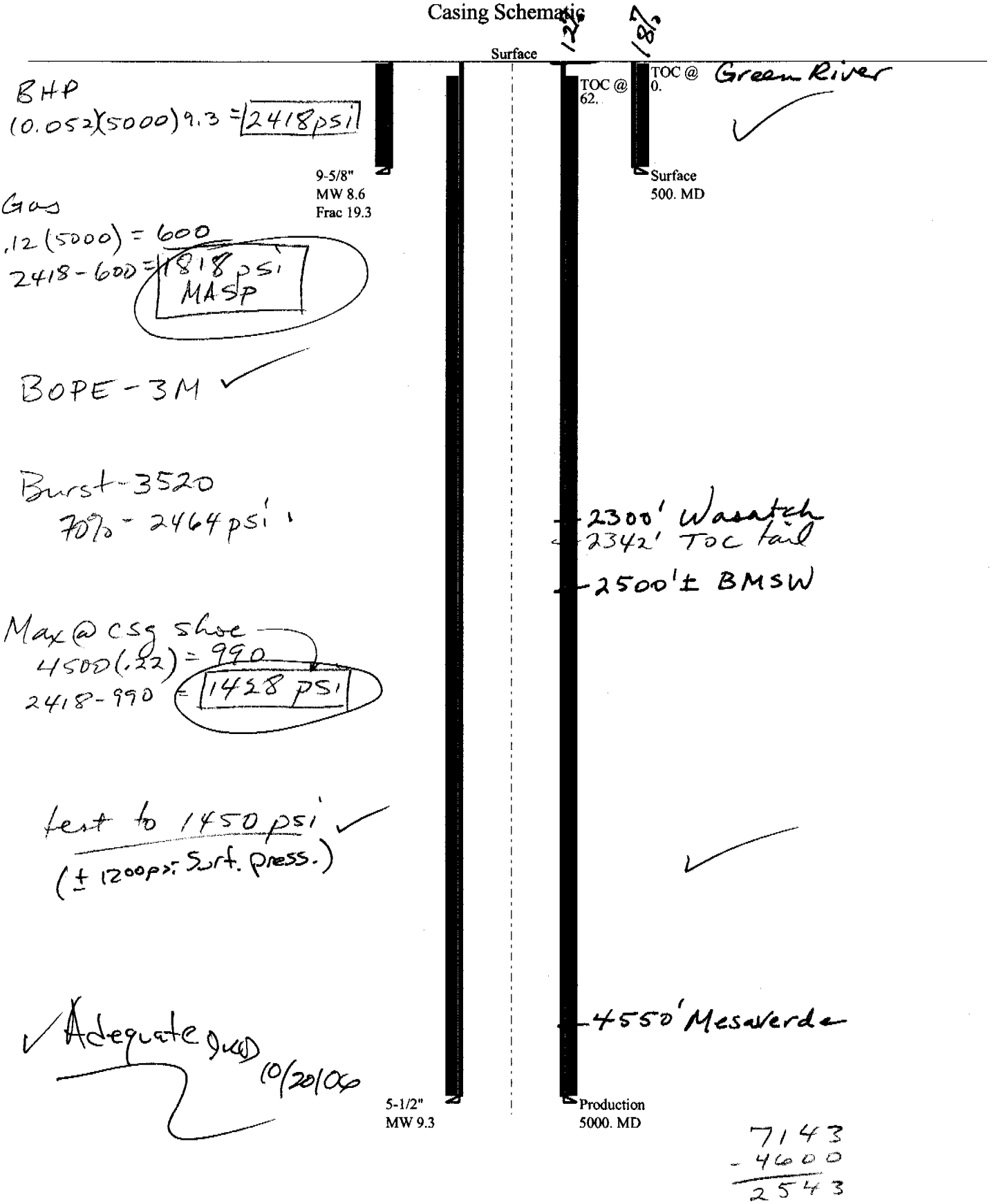
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable:
a. Has the representative and senator been contacted? N/A

9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1)
Uintah Basin Association of Governments

10. For further information, contact:	**11. Signature and title of authorized officer**
Diana Whitney **Phone:** (801) 538-5312	Gil Hunt, Associate Director **Date:** August 31, 2006

[redacted]8-06 Miller Dyer Ute Tribal [redacted]16-14-20

Casing Schematic



BHP
(0.052)(5000)9.3 = 2418psi

Gas
.12(5000) = 600
2418 - 600 = 1818 psi
MASP

BOPE - 3M ✓

Burst - 3520
70% - 2464 psi

Max @ csg shoe
4500(.22) = 990
2418 - 990 = 1428 psi

test to 1450 psi ✓
(± 1200psi Surf. press.)

✓ Adequate DWD 10/20/00

7143
- 4600
2543

Well name:	**08-06 Miller Dyer Ute Tribal 16-16-14-20**
Operator:	**Miller, Dyer & Co., LLC**
String type:	Surface
Project ID:	43-047-38508
Location:	Uintah County

Design parameters:

Collapse

Mud weight: 8.600 ppg

Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 1,816 psi

Internal gradient: 0.120 psi/ft

Calculated BHP 1,876 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on buoyed weight.

Neutral point: 436 ft

Environment:

H2S considered? No

Surface temperature: 75 °F

Bottom hole temperature: 82 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 299 ft

Cement top: Surface

Completion type is subs

Non-directional string.

Re subsequent strings:

Next setting depth: 5,000 ft

Next mud weight: 9.300 ppg

Next setting BHP: 2,416 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 4,800 ft

Injection pressure: 4,800 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	500	9.625	36.00	J-55	ST&C	500	500	8.796	217

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	223	2020	9.043	1876	3520	1.88	16	394	25.08 J

Prepared by: Helen Sadik-Macdonald, Div of Oil,Gas & Minerals

Phone: 801-538-5357

FAX: 801-359-3940

Date: October 18,2006

Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 500 ft, a mud weight of 8.6 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**08-06 Miller Dyer Ute Tribal 16-16-14-20**
Operator:	**Miller, Dyer & Co., LLC**
String type:	Production
Project ID:	43-047-38508
Location:	Uintah County

Design parameters:

Collapse
Mud weight: 9.300 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 1,316 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 2,415 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 4,296 ft

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 145 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 62 ft

Completion type is subs
Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	5000	5.5	15.50	J-55	ST&C	5000	5000	4.825	668.2

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2415	4040	1.673	2415	4810	1.99	67	202	3.03 J

Prepared by: Helen Sadik-Macdonald, Div of Oil,Gas & Minerals
Phone: 801-538-5357
FAX: 801-359-3940
Date: October 18,2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 5000 ft, a mud weight of 9.3 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

43-047-38508

From: Robert Clark
To: Whitney, Diana
Date: 9/5/2006 9:52:52 AM
Subject: RDCC short turn around items

The following comments are provided in response to short turn around items **RDCC #6996** through**RDCC #6999,** and **RDCC #7030** through **RDCC # 7032.**

RDCC #6996, Comments begin: The Flying J Oil & Gas Inc proposal to drill the **Knight 14-30** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.**

RDCC # 6997, Comments begin: The Flying J Oil & Gas Inc proposal to drill the **Deep Creek 2-30** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

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RDCC #6998, Comments begin: The Flying J Oil & Gas Inc proposal to drill the **Knight 16-30** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.**

RDCC #6999, Comments begin: The Flying J Oil & Gas Inc proposal to drill the **Eliason 6-30** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.**

RDCC # 7030, Comments begin: The Miller, Dyer & Co., LLC proposal to drill the **Ute Tribal 8-16-14-20** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm **Comments end.**

RDCC # 7031, Comments begin: The Miller, Dyer & Co., LLC proposal to drill the **Ute Tribal 16-16-14-20** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm **Comments end.**

RDCC # 7032, Comments begin: The Miller, Dyer & Co., LLC proposal to drill the **Ute Tribal 6-16-14-20** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm **Comments end.**

Robert Clark
Division of Air Quality
536-4435

CC: Mcneill, Dave; Wright, Carolyn

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

October 23, 2006

Miller, Dyer & Co., LLC
475 17th St., Ste. 1200
Denver, CO 80202

Re: Ute Tribal 16-16-14-20 Well, 674' FSL, 525' FEL, SE SE, Sec. 16, T. 14 South, R. 20 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38508.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

Operator: Miller, Dyer & Co., LLC
Well Name & Number Ute Tribal 16-16-14-20
API Number: 43-047-38508
Lease: ML-47502

Location: SE SE **Sec.** 16 **T.** 14 South **R.** 20 East

Conditions of Approval

1. **General**
Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. **Notification Requirements**
The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:
   - 24 hours prior to cementing or testing casing
   - 24 hours prior to testing blowout prevention equipment
   - 24 hours prior to spudding the well
   - within 24 hours of any emergency changes made to the approved drilling program
   - prior to commencing operations to plug and abandon the well

   The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):
   - Dan Jarvis at (801) 538-5338
   - Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**
All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

7. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

8. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO: ML-47502	6. SURFACE: Indian
1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐	7. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Indian Tribe
B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER _____ SINGLE ZONE ☐ MULTIPLE ZONE ☑	8. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: Miller, Dyer & Co., LLC	9. WELL NAME and NUMBER: Ute Tribal 16-16-14-20
3. ADDRESS OF OPERATOR: 475 17th St Suite 1200 CITY Denver STATE CO ZIP 80202 — PHONE NUMBER: (303) 292-0949	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 674 FSL 525 FEL AT PROPOSED PRODUCING ZONE: SAME	11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 16 14S 20E S
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: See Topo Map "A" (Attached)	12. COUNTY: Uintah — 13. STATE: UTAH

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBER OF ACRES IN LEASE:	17. NUMBER OF ACRES ASSIGNED TO THIS WELL:
525	1280	40
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	**19. PROPOSED DEPTH:**	**20. BOND DESCRIPTION:**
2880	5,000	RLB0008085
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):	**22. APPROXIMATE DATE WORK WILL START:**	**23. ESTIMATED DURATION:**
7143 GR	10/1/2006	3 Weeks

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12-1/4"	9-5/8"	J-55	36#	500	Standard Type 5	272 sacks	1.18	15.6
8-3/4"	5-1/2"	J-55	15.5#	5,000	Hi-Fill & Poz Prem	976 sacks	3.84 & 1.25	11 & 14.35

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☐ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
☑ COMPLETE DRILLING PLAN
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Jeff Lang — TITLE Vice President of Operations

SIGNATURE _____ DATE 10/11/06

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38508

Approved by the Utah Division of Oil, Gas and Mining

APPROVAL:

Date: 10-23-06

By: _____

(See Instructions on Reverse Side)

RECEIVED
OCT 13 2006
DIV. OF OIL, GAS & MINING

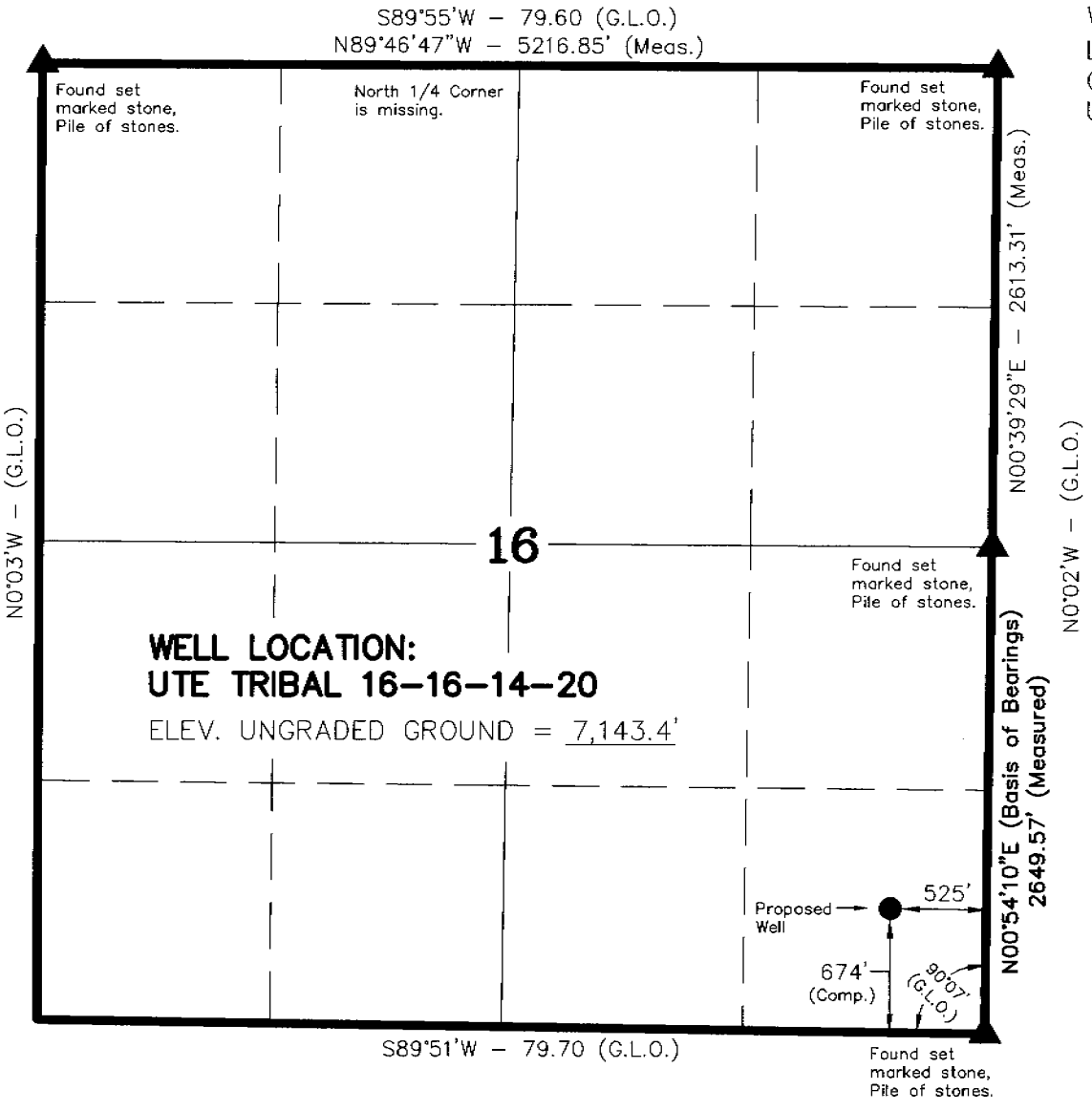
(11/2001)

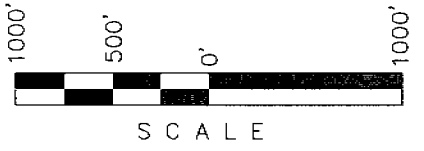
Federal Approval of this Action is Necessary

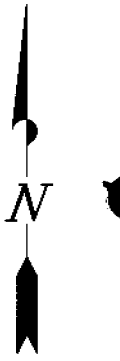
T14S, R20E, S.L.B.&M.

MILLER, DYER & CO.

WELL LOCATION, UTE TRIBAL 16-16-14-20, LOCATED AS SHOWN IN THE SE 1/4 SE 1/4 OF SECTION 16, T14S, R20E, S.L.B.&M. UINTAH COUNTY, UTAH.







NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.
3. The proposed well bears N37°02'47"W 853.50' from the Southeast Corner of Section 16.

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR No.6028691 JOHN R. SLAUGH STATE OF UTAH

John R Slaugh

REGISTERED LAND SURVEYOR
REGISTRATION NO. 6028691
STATE OF UTAH

▲ = SECTION CORNERS LOCATED

BASIS OF ELEVATION IS BENCH MARK 60 WF 1952 LOCATED IN THE SW 1/4 OF SECTION 35, T14S, R20E, S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS SHOWN ON THE FLAT ROCK MESA 7.5 MIN. QUADRANGLE AS BEING 7363'.

UTE TRIBAL 16-16-14-20
(Proposed Well Head)
NAD 83 Autonomous
LATITUDE = 39° 35' 38.15"
LONGITUDE = 109° 40' 33.49"

TIMBERLINE LAND SURVEYING, INC.
38 WEST 100 NORTH. – VERNAL, UTAH 84078
(435) 789-1365

DATE SURVEYED: 07-12-06	SURVEYED BY: K.R.K.	SHEET 2
DATE DRAWN: 07-18-06	DRAWN BY: BJ.Z.	
SCALE: 1" = 1000'	Date Last Revised:	OF 10

4. **Casing Program**

	Setting Depth	Hole Size	Casing O.D.	Grade	Weight/Ft.	Thread
Conductor	40'	20"	16"	Conductor	0.250" wall	
Surface	0' - 500'	12-1/4"	9-5/8"	J-55	36#	STC
Production	0'- 5,000'	8-3/4"	5-1/2"	J-55	15.5#	STC

- Subject to review on the basis of actual conditions encountered. Production casing depth will be adjusted based on results.

Cement Program

Conductor Casing: 0'-40'

Ready Mix to surface

Surface Casing: 0' – 500'

Cement:

0'-500'
15.6 ppg Standard Type V
2% CaCl2
¼ #/sk cello flake
Cement yield = 1.18 ft3/sk w/ 5 gal/sk water
Annular volume = 500' * 0.3132 ft3/ft = 156.6 ft3
Excess = 105% (Assumes 18% washout or 14.5" hole diameter)
Total volume w/ excess = 156.6 ft3 * 2.05 = 321.0 ft3
Cement Requirement = 321.0 ft3 / 1.18 ft3/sk = **272 sks**

Production Casing: 0'-5,000'

Lead Cement:

0'-2500'
11.0 ppg Halliburton Hi-Fill (or equivalent)
16% Bentonite (light weight additive)
0.75% Econolite (light weight additive)
10 #/sk gilsonite (lost circulation additive)
0.25 #/sk Flocele (lost circulation additive)
3% salt
1% HR-7 (retarder)
Cement yield = 3.84 ft3/sk w/ 23 gal/sk water

Volume inside surface casing = 500' * 0.2691 ft3/ft = 134.6 ft3
Excess = 0%
Annular volume = 2000' * 0.2526 ft3/ft = 505.2 ft3
Excess = 35%
Annular volume w/ excess = 505.2 ft3 * 1.35 = 682.0 ft3
Total volume = 134.6 + 682.0 = 816.6 ft3
Lead Cement Requirement = 816.6 ft3 / 3.84 ft3/sk = **213 sks**

Tail Cement:

2500'-5000' plus shoe joint
14.35 ppg 50/50 Poz Premium
0.6% Halad® - 322 (Low Fluid Loss Control)
2% Microbond M (Cement Material)
5% Salt
¼ #/sk Flocele (Loct Circulation Additive)
0.2% HR-5 (Retarder)
Cement yield = 1.25 ft3/sk w/ 5.46 gal/sk water
Annular volume = 2500' * 0.2526 ft3/ft = 631.5 ft3
Excess = 50%
Total annular volume w/ excess = 631.5 ft3 * 1.50 = 947.3 ft3
Shoe volume = 45' * 0.1336 ft3/ft = 6.0 ft3
Excess (shoe) = 0%
Total volume w/ excess (incl. shoe) = 947.3 + 6.0 = 953.3 ft3
Tail Cement Requirement = 953.3 ft3 / 1.25 ft3/sk = **763 sks**

Displacement Volume:

4955' * 0.0238 bbl/ft = 117.9 bbls

5. Mud Program (visual monitoring)

Interval	Mud Type	Weight	Viscosity	Fluid Loss
0'-2,400'	Water/Gel/Lime/Native Clays	8.3-8.6 ppg	33-36 sec/qt	N/C
2,400'-5000'	KCl/Polymer or DAP/Polymer	9.0-9.3 ppg	38-42 sec/qt	8-10cc

Sufficient mud materials to maintain mud properties, control lost circulation, contain a "gas" kick, and rebuild an active mud system will be available on location during drilling operations.

6. Testing, Logging, Coring

a. Drill stem tests – non anticipated
b. Electric logs - DIL/SP/GR, FDC/CNL/CAL/PE/GR, both from TD to surface

JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

December 10, 2007

Miller, Dyer & Co. LLC
475 17th Street Suite 1200
Denver, CO 80202

Re: APD Rescinded –Ute Tribal 16-16-14-20 Sec. 16 T. 14S R. 20E
Uintah County, Utah API No. 43-047-38508

Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on October 23, 2006.

No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective December 10, 2007.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

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